

NEW JERSEY. LEGISLATURE. ASSEMBLY. JUDICIARY
COMMITTEE.

Public hearing on A.C.R. 2 (Off-Track betting) and
A.C.R. 4 (State lotteries).

1964

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PUBLIC HEARING

on

**ASSEMBLY CONCURRENT RESOLUTION NO. 2
[OFF-TRACK BETTING]**

and

**ASSEMBLY CONCURRENT RESOLUTION NO. 4
[STATE LOTTERIES]**

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Held:
Assembly Chamber
State House
Trenton, New Jersey
April 30, 1964

BEFORE

New Jersey Legislature
ASSEMBLY, JUDICIARY COMMITTEE

Members of Committee Present:

Assemblyman Irving E. Keith [Chairman]
Assemblyman Raymond H. Bateman
Assemblyman Joseph C. Doren
Assemblyman Benjamin A. Rimm
Assemblyman John L. White

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ASSEMBLYMAN IRVING E. KEITH (CHAIRMAN): I would like to call this public hearing to order and I would like to announce in the event there is anyone present that has not yet registered, that is, someone who might want to make a statement, we would appreciate it if they would come up now or later and register and give us their name, their address and the organization that they may represent.

I would like to first welcome all of you here and express the thanks of the Assembly Judiciary Committee to all the members of the public that took of their time to come and attend and also to thank our staff and also the members of the press that have shown an interest in this matter.

I would like to introduce myself. I am Assemblyman Irving E. Keith of Monmouth County. I am chairman of the Assembly Judiciary Committee. To my left is Assemblyman Doren from Middlesex County. To my right is Assemblyman White from Gloucester County. Next to him is Assemblyman Rimm from Atlantic County, and on the far end of the table is Assistant Majority Leader of the Assembly, Assemblyman Bateman from Somerset County.

If we can, we are going to try to limit the time of each individual's talking if it should become too lengthy. At the moment we won't fix a specified time. I would only request if I may that whoever does talk does not, if they can possibly help it, repeat themselves. If you have any prepared statements, we would greatly appreciate your submitting them to the members of the Committee so that we can also give them to the reporters so they may be transcribed and be a part of the

hearing and a part of the minutes.

We will not permit any questions from the audience to any speaker. However, if anyone in the audience may have a question they desire to have asked, we would appreciate your writing it out and bringing it to the Committee and we will see that the question is submitted.

Anyone that is going to talk, as a part of the hearing, we would appreciate your taking the seat where my good friend Assemblyman Musto is presently sitting, and that is the first seat here, and you will make your statement from that particular location. When you do take your seat, we would like for you again to identify yourself, giving your name, your address and the organization that you represent if you represent an organization.

The Judiciary Committee is very cognizant of the many outstanding needs of the State of New Jersey and the many problems that confront all of the citizens of New Jersey, both from a moral and economic standpoint, and this particular hearing we trust will be of benefit not only to the Committee, but to the Legislature as a whole in determining one of the facets, one of the problems, that confronts us.

This is a public hearing on Assembly Concurrent Resolution No. 2 which was introduced by Assemblyman William V. Musto of Hudson County, and it is also a hearing on Assembly Concurrent Resolution No. 4, introduced jointly by Assemblyman Musto, John J. Kijewski of Hudson County, Francis J. Werner of Camden County, and Edward J. Sweeney of Mercer County.

I would just like to read into the record the portions of the two resolutions we are concerned with today. Each of these resolutions proposes an amendment to paragraph 2, Section VII, Article IV of our State Constitution be submitted to public referendum.

Assembly Concurrent Resolution No. 2 would add a new subparagraph 2C, to read as follows, and I quote:

"It shall be lawful for the Legislature to authorize, by law, the receipt, transmission and withdrawal of moneys, to be wagered in the pari-mutuel machines of the running and harness race tracks within the State, at such locations outside such race tracks as may be licensed by the State and within any municipality in which such law shall be adopted by a majority of the voters, voting thereon, at a general or special election as the submission thereof shall be prescribed by law and for the Legislature, from time to time, to restrict and control, by law, the conduct of such receipt, transmission and withdrawal of moneys."

Assembly Concurrent Resolution 4 would add a new subparagraph 2C to read as follows:

"It shall be lawful for the Legislature to authorize the conduct of State lotteries restricted to the selling of rights to participate therein and the awarding of prizes by drawings when the entire net proceeds of any such lottery shall be for State institutions, State aid for education, for the purpose of defraying

the costs to the State of payment of a bonus to veterans of wars and emergencies, or for State, county, and local roads."

I would like to direct the reporters to make these two resolutions part of the record of this hearing.

As the first principal witness in this hearing, I would like to call upon Assemblyman William V. Musto of Hudson County, who is the principal sponsor of both of the resolutions that are under consideration today. Assemblyman Musto.

W I L L I A M V. M U S T O: Mr. Chairman, members of the Committee and ladies and gentlemen: I am William V. Musto, the Assemblyman from Hudson County. I am a sponsor of Assembly Concurrent Resolutions Number 2 and Number 4 of this year, along with my good colleague on my left, Assemblyman Werner, Assemblyman Kijewski, Assemblyman Sweeney and Assemblyman Bressler.

First of all I would like to take this opportunity to thank the Committee for calling this public hearing on these two proposals. They are subjects, I believe, which should be discussed publicly and I commend the Committee for affording the public this opportunity to do so.

As you may know, I have introduced for many years resolutions proposing constitutional amendments to authorize a State lottery and off-track betting. I am sincerely convinced that they are right for the State of New Jersey and for its people. Every year I see added support for these proposals and I shall continue to introduce similar resolutions

until this Legislature is convinced to let the people decide.

ity, Today I want to place on the record my reasons why these two resolutions authorizing a State lottery and off-track betting should be passed by the Legislature.

I would like to file a statement with your Committee for your full consideration, along with a condensed statement. I trust the statement will be used by the Committee in its deliberations. After you read the statement, I would be happy at any time to answer any questions you may have regarding same in the future. I realize time too is of the essence and there are many people here to testify so I shall condense the statements I have filed with you.

I have attempted to show through my statement and, I trust, with my presence here as well the many benefits which would accrue to New Jersey if it were to establish a State lottery and off-track betting.

Not necessarily listing these benefits in any order of importance and in order to condense the statements filed with you, I will list them as follows:

✓ 1. I feel it would be a practical remedy to the serious social evils growing out of illegal gambling.

2. I feel the eventual elimination, or at least a drastic reduction, would take place in illegal bookmaking and the gambling syndicates. Certainly, it would weaken organized crime.

3. A State lottery and off-track betting would provide a most simple, effective and painless way out of our pressing fiscal problems, problems with which you gentlemen on

this Committee are certainly familiar.

I feel the people would be proud and willing to participate because the revenue would be used, as you gentlemen know, for most worthy purposes and great needs.

Almost all of us will acknowledge that New Jersey must soon find substantial additional revenues to meet the cost of vital building programs and other services. New Jersey voters last November rejected the proposed 750 million dollar bond issue. Our Legislature to date has remained collectively dormant and divided as to how to meet the revenue problem. That too, you gentlemen are familiar with. Thus, it seems to me, the fundamental question - how to obtain more money for institutions, schools, highways, veterans and other purposes - still remains completely unresolved.

A State lottery and off-track betting will without any question supply hundreds of millions of dollars towards solving this revenue problem and the urgent needs of the state.

4. It would reduce the cost of law enforcement and allow our law enforcement agencies an opportunity to concentrate more of their efforts on more serious areas of law enforcement.

Now just think about that a minute, and as you are thinking about it may I point out here that our gambling laws have no popular support and make law enforcement at best almost impossible. May I recall for you the Prohibition era? It spawned rum-running, bootlegging and big-time gangsters. The repeal of Prohibition brought an end to all of this. It brought an end to the bootlegging terror. May I point out also that taxes now levied on distillers, saloons and liquor

stores run into 4.5 billions annually. If Prohibition hadn't been repealed, Americans would today be paying 15 per cent more in income taxes.

Change our gambling laws and you will accomplish the same as we did with the repeal of Prohibition.

5. People everywhere - I think the Committee would agree with this - would rather do things legally than illegally. I repeat that. People everywhere would rather do things legally than illegally. Betting on horses and buying lottery tickets are two of those things that they would rather do legally than illegally. We never lock up bettors or lottery ticket buyers anyway. No amount of opposition or legislation in the past has ever been successful in making it any the less a way of life.

I could here spend hours upon hours reviewing with you what I have filed concerning controlled gambling throughout not only this nation, but this great world of ours. Suffice it to say - and I hope that you will take this into your deliberations - that over a hundred countries have controlled gambling today - controlled, not all-out gambling - controlled gambling. Over a hundred countries alone have lotteries and are reaping the benefits, the revenue from these lotteries, by building hospitals and schools and roads. Suffice it for me to say that so I don't impose upon the patience of the Committee and the fact that there are many others here to testify. But should any questions exist in that regard, I trust the Committee would not hesitate to get that portion of it in great detail from me.

6. A benefit, and one never mentioned and one that I consider perhaps as important as any other, would be that we would be creating a new industry and what is greater for our economy than creating a new industry, new enterprises. A new industry here would be created which would provide, without question, thousands upon thousands of jobs. What a boon for our employment! It could very well be the solution - not a complete solution, but a partial solution - to the employment of our aged, our physically handicapped and those who mentally don't fit in any particular kind of work. It could be very helpful in that regard as well.

Finally, but not first in importance or last in importance, we would be satisfying a basic desire, a desire which if we are honest with ourselves, ladies and gentlemen, we know exists, and that is, that basic desire of a large segment of our population to risk a small amount to gain a sizable one. This basic desire is not for all-out gambling. There has been no feeling expressed that the public wants a slot machine on every corner. They don't want legalized gambling per se. But they have indicated by the polls that have been taken, constantly, they have indicated by their conversations with you gentlemen, they have indicated by their patronage at the racetrack and bingos, that they do want controlled gambling. They have indicated without question a basic desire to gamble, to buy a lottery ticket and to bet on a horse.

I could have brought here today, not to impose upon the Committee's time, so many things to talk about. Suffice

it, I just briefly show you two newspapers here. As you gentlemen know, the Newark Evening News is my favorite newspaper so I thought I would bring that down here. Now here is a newspaper, a fine newspaper, even though I don't agree with its editorial policy at all. I happen to be honest and I think it is prejudice and I don't mind saying so. But it is a fine newspaper, a good newspaper. New Jersey should be proud to have such a newspaper. If we could only take the editorial part out of it, it would be wonderful. I would even subscribe to it. But here is a paper like many other newspapers that is against a lottery and they certainly have that right. That belongs to them to express a view on it. And it could be any other paper I am talking about right now. Let's forget what paper you are looking at. This could be any paper in the State of New Jersey and I said any newspaper. And what do we have on the front page of a newspaper. There must be a desire and an interest of the public regarding gambling. On the front page - you are all familiar with this - I'll bet that if I asked anybody in this room about this twin double, I guess they call it, that took place recently, they'd all know about it. I don't even have to go into detail about it. They all know the ticket hasn't shown up yet. It might have shown up on my way down here this morning. But they didn't find it yet. All they know is that the poor unfortunate who did have it, sold it to somebody else for \$2 before the last race was run. Now that is on the front page - "Two dollar bet to pay \$132,000" and a few extra cents. That's on the front page. I mean, they're putting gambling not even on the

sports page, not even hiding it on the inside. And also down in the corner, down in the corner here - I show this to all the people in the audience and to the Committee as well -- This is a common thing in all newspapers. Please do not confine it to this newspaper. I just happened to have this yesterday and brought it down. It is dated Wednesday. That's yesterday. "Skill Word Contest. See page 2." It sells a newspaper, gentlemen. Believe that. You do without these contests and you don't sell a paper. I don't say that is a lottery. I don't say it is a horse bet. But it is close. It's real close. It indicates that even these papers, even these newspapers know what the basic desire of the public is and they take advantage of it. And yet they come out against a lottery. It's all right for them. I have no quarrel with them. I have no quarrel if we let the people decide. You don't have to buy this newspaper, but you do have to spend - what is it? - I even forget the price of the Newark Evening News - but whatever it is - five cents we will say. To get into that contest, you have to buy this paper. You are purchasing the right to participate in this contest and there is a prize, a pretty good prize, a \$2500 prize - for five cents. I don't think the numbers pays off that good, fellows, and these odds are even greater against the individual.

Now, not being critical - I am for this - I support this 100 per cent. But I don't believe in being hypocritical about something.

I also have here - and this isn't my favorite newspaper either - I like it. I am not a good handicapper, but

when I go to the race track, I do like to buy the Morning
Telegraph. I buy it. I don't pick too many winners, but
I have an enjoyable day there. Nobody forces me to go to
the race track. Nobody forces me to bet. Once in a while
probably if I am looking at television, I may sneak in a
little bet somewhere. I can't tell you where, but once in
a while I sneak it in. I like to bet a two-dollar bill,
watch the race run and if I pick a winner, fine, and if I
don't, fine too. I am not hurt and whether you had a law
against that or for it, the same thing is going to take
place. The same people will get hurt who don't understand
moderation. But I show you the Morning Telegraph in case
you are not familiar with it. This is one of a hundred
different types of papers I could bring in which you could
purchase on any newsstand in the State of New Jersey and
in probably all of our states, even those who have laws too
against legalized gambling of any kind.

You say - why do I show you this? After all, New
York has a race going on. Camden is open. That's legal.
People have got to buy the paper if they want to see who
is running and so forth and the tracks are there. But look
how far this goes and look how hypocritical we are about
saying, "Oh, you can't bet the horses - it's illegal - you
can't do this - it is illegal." This paper has entries
in it from tracks all over the country with their odds. They
are encouraging people to look here. Now what interest is it
to Bill Musto in Union City to know who is running at Lincoln
Downs? That is in Rhode Island. I am certainly not going to

fly up there to play the daily double, ladies and gentlemen. And it is in here. It is encouraged. It is pointed out. You know where you are going to bet the \$2 if you want to bet \$2 on the daily double at Lincoln Downs. They go to the Coast where the race tracks are open - all in this paper. And it is a good paper, a good paper, but how hypocritical we are to have laws against this thing and yet permit it. Again, you just try locking up the bettors and the lottery-ticket buyers sometime. Just try that. You wouldn't dare do that. You wouldn't think of doing that. So how can you stamp something out that is here? It is a basic desire, and that was my point here, of the American public to gamble and this would help satisfy that desire.

Now I have attempted to show the benefits which would derive to New Jersey if it were to establish a state lottery, as New Hampshire has done. There is nothing strange about it. By the time we get on the ball, I wonder what will happen. They are beating us to the punch. It shouldn't happen that way. New York will probably beat us to off-track betting. Why? I see no reason for these states to be ahead of us. We should be the first.

I would like to point out here and now that I certainly recognize that many sincere persons in this room here today I know oppose one or the other, or both, of my proposals which were introduced with my good friend Assemblyman Werner. Now while I do not agree with them and believe they constitute a small minority, they certainly are entitled to be heard and to have full opportunity to express themselves

here, at any other public hearing or at any other Committee meeting you gentlemen may have, and also at the election polls. That is where they should be heard as well. We all should be heard finally at the election polls.

Most of those who oppose any extension of controlled gambling, or even the continuance of the legalized gambling we now have, such as pari-mutuel wagering at the race tracks, bingo and raffles, and certain games of chance, do so because of their belief, their sincere belief that I respect, that all gambling is immoral, and I certainly respect their opinion.

Probably no country, may I point out regarding the moral issue, has had greater experience with a wide variety of legalized gambling than Great Britain. I think we will all acknowledge that as a fact. Therefore, the observations of a British Royal Commission are very pertinent here. I would just like to read their observation on gambling to you:

"We are left with the impression," the Commission stated, "that it is extremely difficult to establish by abstract arguments that all gambling is evidently immoral, without adopting views as to the nature of good and evil which would not find general acceptance among moralists...."

"We can find no support for the belief that gambling, provided that it is kept within reasonable bounds, does serious harm either to the character of those who take part in it, or to their family circle and the community generally..."

"It is the concern of the State that gambling, like other indulgences such as drinking of alcoholic liquor, should be kept within reasonable bounds, but this does not imply that

there is anything inherently wrong in it."

Perhaps even more to the point is this excerpt from the recent report of the New York City fact-finding team which studied off-track betting in a number of countries, including England:

"The principal and best-organized opposition (and they are referring to England) to the betting shops - as well as to all forms of gambling - comes from the Churches' Council on Gambling, of which the Reverend Mr. Gordon Moody is the General Secretary and operating head... Mr. Moody made it clear that the aid of the Churches' Council on Gambling is to achieve as wholesome a system of legalization as possible, rather than to oppose it totally. The Council has not made a moral issue of off-track betting. It has recognized it as 'a thing people do' and, because it is, control rather than prohibition is the Council's aim... Mr. Moody said... that if he were in New York he would favor some form of legalization."

Yes, control rather than prohibition. That is the crux of the whole problem as it relates to gambling, just as it was proved to be in regard to alcoholic beverages.

Can anyone willing to face the facts realistically say that we are not better off today morally, socially and economically than we were during the days of national prohibition? Can anyone truthfully say that we were better off then than we are now? Can anyone truthfully say that we would not be better off under a system of legalized, controlled gambling than we are now in giving illegal support - that is what we

are doing - to a criminal empire which reaps profits of billions of dollars a year?

At any rate - may I point this out - the State of New Jersey not once, but many, many times, has passed judgment on the morality of controlled gambling. It did so when it legalized wagering at the race tracks, again when it voted for bingo and raffles, and again when it approved games of chance at seashore resorts and amusement parks, and only recently at our last meeting of the Legislature when we again passed a bill legalizing box-top contests. That issue, it seems to me, has long since been decided, that there is nothing wrong with controlled - controlled, I say - controlled gambling.

Today the issue, I feel, is simply this: Shall New Jersey, by the enactment of a lottery and the extension of race track betting to off-track sites, avail itself of the hundreds of millions of dollars - and that is without question - the money is there - but I point out the money is secondary. That is not my reason nor the sponsors' reasons or it shouldn't be anyone's reason for supporting this legislation - not because of the money that may come from it. That is not a good enough reason. It first must be morally correct and you must believe it. And I sincerely feel morally there is nothing wrong with controlled gambling. So I say, shall New Jersey avail itself of all this money for the support of our institutions, schools, highways and other worthy causes or shall we continue to let this money just fall into the hands of a very corrupt element of our society?

In conclusion let me say this - and the Committee has been very, very patient and I hope I haven't imposed too much on their time - we already have the gambling. Let me tell you - and I say this with no monopoly on what is right or what should be done - but the safest bet you can ever make - just like you could make a bet that the people were going to drink and they are going to smoke in spite of these reports that come out that tell you it is bad for your health. In spite of that, they still smoke. There is no law against it. So the safest bet you can ever make is that the people are going to bet horses and buy lottery tickets. They have been doing it for as long as I can remember. My forefathers and your forefathers have been doing just that and in volume - no minority, the vast majority have been doing it and they have been doing it whether it has been legal or not.

I firmly believe, therefore, that for the many, many benefits that will accrue to us, we should bring it under control, not because I like it or you like it, but because the vast majority of the people like it. Even more firmly, I believe my thoughts should not be the conclusion nor should your thoughts be the conclusion. I believe - and this is my main request to this Committee - that the people - and this is all I request under this legislation - because I introduced it or someone else introduced it or because I think it is good or bad doesn't make it so - but I believe firmly that the people of this state or any other state should have the opportunity to say what they want to do about it.

Gentlemen of the Committee, I want to thank you for this opportunity to be heard with you today. I would be happy to answer any questions that you may have. While I would like questions, I understand your problem. I do want to commend the Committee because this is the first time in the 18 years that I have been in the Legislature that the people of this state have been afforded this type of hearing, a complete type of hearing, on a subject that certainly is controversial. But it is certainly worthy of discussion and I can't commend Mr. Keith and the members of this Committee enough for this opportunity. Thank you.

ASSEMBLYMAN KEITH: Thank you, Assemblyman Musto. Will you just remain for a minute. I think I have a couple of questions and some of the members of the Committee may have. But before we ask any questions of you, I just want to make an announcement to the public. You will note that during the course of the hearing some of the members of the Judiciary Committee may leave the table here, may leave the Chamber. Please don't think them disrespectful. Please don't feel they are not interested in the problem. They are. Unfortunately, there are two or three other hearings and conferences going on this morning and during the day and from time to time some of the members of the Committee will of necessity have to leave. They will, however, review completely the transcript so that everyone's testimony given, whether any of the members may be at the table or not, will be thoroughly reviewed. I just wanted to make that point so you wouldn't misunderstand if you see occasionally a member

of our Committee rising and leaving the room. It is of necessity that he has to.

Assemblyman Musto, you are talking and were talking in your remarks on both ACR 2 and ACR 4 and I assume - and correct me if I am wrong - that your comments were related to both equally. Is that right?

ASSEMBLYMAN MUSTO: That's right, Mr. Chairman.

ASSEMBLYMAN KEITH: And might I ask what your thought would be, Assemblyman Musto, in the event that these provisos, these resolutions, carried no revenue-producing measures for the State of New Jersey. Would you feel equally as strong?

ASSEMBLYMAN MUSTO: As I tried to point out, Mr. Chairman, in my remarks, I would put the revenue that would be received from the lottery or off-track betting at the very bottom in importance. I do not feel that the money that will be derived from these measures is first in importance. I put it last in importance because of the fact that until we clear the moral issue here, I feel like anyone else - who wants to make a lot of money on anything that is wrong or immoral? I don't want that. Its importance increases once we convince ourselves, as I have convinced myself, that it is not immoral and, therefore, I point to the revenue that will come from it.

ASSEMBLYMAN KEITH: Thank you. Another question, if I may: You mentioned that you are a firm believer in controlled gambling and that is one of the several reasons you have for proposing this legislation. You then mentioned that it would be your thinking - you would like to have the

Committee feel that this matter should be submitted to the people for the people to decide. What would your thinking be then in the entire area of submitting to the people legalized gambling of all types in New Jersey? Does your thinking go that far?

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ASSEMBLYMAN MUSTO: No. I would strongly object to the people at this time getting an opportunity to express themselves on all legalized gambling. I say that for this reason - there has been absolutely no indication in the 18 years that I have been in the Legislature that the people want that. So you don't just to satisfy a whim submit a referendum to the people. You submit a referendum to the people - and I say this respectfully - when there is a demand by the public for it and that demand is here. You don't see it in this room because John Q. Public cannot be represented here. The public has no lobby. We know that as legislators. But when New Hampshire approves it by a resounding vote, when a vote is taken in New York City and it is approved by a resounding vote, and when the Gallop polls and all the other methods of taking polls are taken and the public overwhelmingly says, "We want it," I think then it is the duty of the Legislature to provide them with that opportunity. The public to my knowledge - I have never received even one letter that anyone wanted slot machines in stores or on corners or that type of gambling. New Jersey doesn't want that. I am convinced of that. But if they did want it, if they indicated a desire for it, I would want it then controlled. But we know as a matter of fact that no one is doing that

in the State of New Jersey today. We know there is no large wholesale legalized gambling taking place. But let's be realistic without blaming our law enforcement agencies. When you don't have popular support for something, that is a tremendous problem you place on a law enforcement agency. The public wants to bet on horse races. They want that. They want to buy sweepstake tickets. I would have to stop counting all the sweepstake tickets you have in the State of New Jersey today. A good close member of my family buys an Irish sweepstake ticket. My goodness - are you going to lock her up?

ASSEMBLYMAN KEITH: Do you want that stricken from the record?

ASSEMBLYMAN MUSTO: No, leave it on the record. I just get tired of the fact we are so hypocritical about all this. No one would contest, for example, the basic desire of people to play Skillo in this paper. There is a question of legality. I am talking to three lawyers now. You know as well as I do that there is a question here. We don't question it because the public wants this and what the public wants, they should have. But they don't want legalized gambling. They have not indicated that interest. But I say this, if I may, since you brought up this referendum, we allow the public to vote on a \$750 million bond issue which they knew nothing about. In fact, we in the Legislature had difficulty in understanding all the facets of it and the ramifications. And then the public is voting on something that they shouldn't be voting on. If I had my way, they would

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never vote on an issue like that because they don't understand it.

ASSEMBLYMAN KEITH: Excuse me. I don't mean to interrupt you, but you are now going a little off the field.

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ASSEMBLYMAN MUSTO: I am sorry, Mr. Chairman. It is only to point out in answer to your question why I feel the public should vote on a lottery and off-track betting and not on legalized gambling.

ASSEMBLYMAN KEITH: I understand.

ASSEMBLYMAN MUSTO: They have no desire for it.

ASSEMBLYMAN KEITH: I have one further question. In your ACR 4 you have specified that the funds that might be derived from a lottery would be dedicated to specific items. Do you feel that is a strong portion of your bill?

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ASSEMBLYMAN MUSTO: No. I feel that generally speaking the moneys would go to those institutions anyway. We know as legislators that we spend money from the general fund of the State of New Jersey. If getting this bill to the voters - if that is important to the bill to get it to the voters, I would want it in. If it was to be stricken, I would consent to that. All I want is an opportunity for the people of the State of New Jersey to vote on this legislation.

ASSEMBLYMAN KEITH: Thank you, Assemblyman. Are there any members of the Committee who have questions.

ASSEMBLYMAN DOREN: Assemblyman, I know you have studied this problem for many years. I was wondering whether or not you would be able to give us an estimate of the people,

either in the State of New Jersey or in the United States participating in the Irish sweepstakes? Has there been a projection made?

ASSEMBLYMAN MUSTO: Well, the only projections that have been made certainly haven't been made by me. I don't have the ability or the means or even the know-how to get that. I have to rely for my information on a subject like that to a very efficient research bureau that we have in the State of New Jersey, headed by Sam Alito, and all of the reports that I have had, when the research has been made, have indicated a vast majority of people participate in gambling. It isn't confined to a sweepstake. The last Gallop poll came out and again a majority of people favored it. So you have to presume that most of them participate in the Irish sweepstakes, etc. Some estimates have come out. I understand the last estimate to come out was that over \$6 million goes out of the United States on that every year. But I couldn't authenticate that. That is only what I have read and that information comes from papers and things of that nature. But my own personal observation is that if you judge it on the people that I know and those that buy sweepstakes, I would say that a large minority of people right in our own area - a large minority, I say - buy an Irish sweepstake ticket.

ASSEMBLYMAN DOREN: Now one other question: Do you see any difference - and this is the time of year, of course, when you are riding down at the shore. You are riding around and you see a lot of cars in various places and tickets being

sold. Is there any difference in your opinion between that and a lottery where a chance is being sold for a television set by various groups?

ASSEMBLYMAN MUSTO: No. I see no difference at all, none at all.

ASSEMBLYMAN KEITH: I assume you realize and I imagine that Assemblyman Doren was referring to tickets that are sold by charitable organizations.

ASSEMBLYMAN MUSTO: Oh, I am in favor of that. I favor it strongly.

ASSEMBLYMAN RIMM: Assemblyman Musto, I am sure you have seen advertisements of automobiles being given away by going in and getting a number. You have seen ads relating to different types of drawings. In fact there is a case in the State of New Jersey which prohibits merchandise being given that way without anything being done on the part of the purchaser. The courts have held that to be illegal. Do either of these bills cover those procedures?

ASSEMBLYMAN MUSTO: I would think that the lottery bill - and, of course, being a lawyer like yourself, it is a matter of opinion - would cover a vast amount of those problems myself. I do. I think that the lottery definition that comes from the dictionary and from certain legal decisions we have had could very well cover that. Again, that is my opinion.

ASSEMBLYMAN RIMM: Well, I don't want to raise any legal discussion with you, Assemblyman Musto, but I have been trying to read that into either resolution and frankly it

isn't clear to me because I think that if you intend to cover those features, it perhaps should be spelled out more clearly. I don't know; I am just asking you.

ASSEMBLYMAN MUSTO: I only point out this again: I have avoided any legal technicalities. I have avoided any method of setting up an off-track betting system or a lottery system. I have avoided all that because that comes later. I don't think that I have a monopoly on all of that and I would be very happy to satisfy any member of the Legislature who would like to be certain that it is covered by going along with any amendments they may have in that regard. Again, my objective is not to restrict that type of thing; it is to make it all inclusive.

ASSEMBLYMAN WHITE: Assemblyman Musto, do I understand then that perhaps the lottery that you are talking about is greater than a statewide drawing such as what New Hampshire has at the present time?

ASSEMBLYMAN MUSTO: Again I am answering that legally. The particular lottery that I would have in mind as a beginning, for example, would be very similar to New Hampshire's, the Irish Sweepstakes. That is the general lottery that I am talking about. That is the specific one under this bill. I don't know that you would ever want to go any further than that. That is why, if you have noticed, under this legislation the only thing this does is give the people a right to express themselves as to a lottery and off-track betting, but it reserves to the Legislature any procedure or just how it will be run and what they will run, and I think

that should lie with the Legislature.

ASSEMBLYMAN WHITE: Do you have any preference - and I understand, of course, that you are supporting both resolutions equally - do you have any preference of one over the other?

ASSEMBLYMAN MUSTO: I would say that if I were asked which one I would like first - you mean which one you were going to give me - well, I would say I would take the lottery first. I think the lottery is the much more acceptable and popular at the present time. While I have no reservation as to either one, I think the lottery is much more acceptable because of its simplicity. Off-track betting runs into many ramifications. There are many technical details that would have to be ironed out and the lottery wouldn't present those problems to you. A lottery is much more simple. Let's put it that way.

ASSEMBLYMAN WHITE: One more if I may: When they talk of a broad-base tax, they talk of the cost of administration in the terms of a percentage, such as one per cent of an anticipated revenue from the sales tax or whatever it might be. Percentagewise would you have any thoughts as to what, let's say, a lottery might cost per year per lottery?

ASSEMBLYMAN MUSTO: Well, I base it on my studies - not my studies, but the Research Bureau has made studies in the state and they have been thorough on it on where we have off-track betting and where they have lotteries, and the cost is incidental, very incidental.

ASSEMBLYMAN WHITE: Well, could it rise to one per cent, would you say, of the revenue?

ASSEMBLYMAN MUSTO: Well, one, you would have to know what the revenue was going to be in amount, and again I wouldn't want to mislead the Committee. I think originally you would start off - if you passed a lottery bill, you would probably appropriate \$25,000 for the cost of setting up a commission and running it. I don't think you would exceed more than \$50,000 in running a state lottery. But again, it is incidental. I would hate to be held to a figure because I am not a specialist in that regard. In other countries I think it is much less than one per cent and it depends on how you want to set it up. That is left with the Legislature. That is left with this body.

ASSEMBLYMAN DOREN: Limiting my question to the off-track betting - of course, I don't play the horses and I never would even if it were legal - but don't you feel ---

ASSEMBLYMAN MUSTO: But you smoke, Mr. Doren.

ASSEMBLYMAN DOREN: I smoke. I'll probably be sorry for that. -- don't you feel by exposing all the people where they are able to bet on a horse on off-track betting that we would create a serious social problem because then everybody would have the opportunity of going to a store which a lot of people don't do today - they would not go to a store or wherever they have these bookies or these runners - they don't do it today because they feel they don't want to be seen either associated with a bookie or a runner - don't you feel that perhaps you would have a

serious social problem in this state and that the moneys that may be derived would be going right back to welfare because these people would really be playing the horses like mad?

ASSEMBLYMAN MUSTO: Mr. Doren, I must respect that argument. It has been made many, many times and it is one of the arguments that is used in the defeat of this type of legislation. I point out again I respect the sincere belief of those people who feel gambling is immoral, but they feel all gambling is immoral - that's all gambling, even controlled gambling.

ASSEMBLYMAN DOREN: This is limited to off-track betting.

ASSEMBLYMAN MUSTO: Getting to your off-track betting, I see no problem. I'd have to be very practical with you. You and I were brought up in a practical school and I think you know as well as I do if we want to face the facts of life and accept what is here, people have been betting for 150 years. It is not going to get any less or any more if we legalize it. It won't get any less or any more. And those of us who have put in the time on this and the study certainly must recognize that. All you have to do is read the FBI reports on investigations of gambling, the Kefauver Committee reports; all you have to do is go to our own State Library and look at the tremendous job they have done over there in getting the facts and figures. You just couldn't bet more money than is being bet in those figures. You just couldn't increase it. There isn't that

much money in the world as what comes out of those Committee reports. So I feel that those who are going to gamble are going to gamble anyway. Those who are going to drink are going to drink anyway. I think it is a wonderful comparison. And I mention smoking not to be fresh or anything like that. I mentioned that today because you couldn't pass a law against smoking. Why? Here we have heard that smoking is detrimental to the health of the people. We have actual statistics telling us this. Now gambling doesn't do that. I mean, a fellow who is going to jump off a bridge because he lost his money is going to do it anyway. He is doing it right now today. You don't have to legalize it to make him do that. He will do that under any circumstances. You can't blame controlled gambling for that. But I don't see anyone today coming out saying we must stop smoking. Now I think that is a good comparison here because there you are dealing with the health and welfare because the people want to smoke. When you don't have popular support for something or when you are in an environment where people want to do things, please, please be very careful before you make any laws against that because you are defeating the whole purpose of this great country of ours. The people want those things and you must respect the rights of minorities too. Nobody is forced to gamble. Nobody is forced to smoke or drink. We have dry areas in this country. I point that out because we are dealing here with a subject matter that the average fellow that went to work today and couldn't get to this Committee meeting understands. He understands all this. He

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knows what he wants. It isn't like a technical problem that he is not familiar with. He wants to decide this issue and you pass a law against smoking and you will have about as much effect there as you do with the law you have against off-track betting - no more, no less. You will still have the same amount of people smoking as you will have the same amount of people gambling.

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ASSEMBLYMAN WHITE: Along the line of off-track betting, Assemblyman Musto, don't you feel that the average small wage earner with a family, let's say, of three or four children and his wife, if given this incentive of off-track betting is quite likely to, let's say, just take the plunge and ultimately deprive his family each and every week of what they are justly entitled to for the necessities of life?

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ASSEMBLYMAN MUSTO: Again I respect anyone's opinion in that regard. After 18 years of sincere study - and I think you will have to acknowledge the fact that I don't want that fellow to lose any money. I don't want to hurt anybody. I hope you will accept the fact on these bills that certainly if I thought one individual in this whole state was going to get hurt by this, I wouldn't want it. It doesn't mean that much. You are being hurt more by not having it. That is the sad feature here. I say no to your question. It is my sincere opinion after a very conscientious study that it would have no effect whatsoever because the individual that is doing it is going to do it anyway. It is association that does all these things. Again

you will have no fewer people smoking in the country by passing a law against it. You see these things. Saturday the Kentucky Derby is on television. If a fellow is going to bet it, he is going to bet it. And you are not going to increase the betting on the Kentucky Derby by off-track betting shops. All you are going to do is channel good money to good people instead of good money to bad people. I feel it is as simple as that and I have a sincere opinion in that regard. Now I respect any other opinion that is contrary to it. But I sincerely believe the answer to your question is no.

ASSEMBLYMAN KEITH: Thank you very much, Assemblyman Musto. We appreciate your appearing before the Committee. We are grateful for all the information.

ASSEMBLYMAN MUSTO: I wish to thank the Committee for its time and patience.

ASSEMBLYMAN KEITH: I would like to call as the next witness a co-sponsor to Assembly Concurrent Resolution Number 4, Assemblyman Francis J. Werner of Camden County.

F R A N C I S J. W E R N E R: Mr. Chairman and members of the Committee and ladies and gentlemen who took the time and the trouble to come to this public hearing: I want to state at the outset I am not going to be lengthy because whether you know it or not, Mr. Keith, I took a chance this morning. I drove down here in the rain and that is a chance and that is why I am going to try to convince the Committee that they should allow the people to take a chance if they so desire.

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My senior colleague, Assemblyman Bill Musto, who preceded me here, has been an Assemblyman for 18 years and I have been elected for 12 years and, believe me, I think our constituents both in Hudson and in Camden know that he sponsored state lottery bills for 18 years and I have sponsored them for 12 years. Four years ago I held a public hearing on my lottery bill that would allow the veterans to receive a bonus from a state lottery and it was unsuccessful. The Committee felt there wasn't enough sentiment or support for such a bill. So this year I felt that I should co-sponsor with Bill Musto and Kijewski and Sweeney and Bressler their bill. That is why we have five sponsors of the bill.

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As you know - it has been said before - that last Monday a box top bill was passed right on this floor, Bill A 586, co-sponsored by both Republicans and Democrats alike. Not so much that any of these Assembly people perhaps used the box tops, but it has come to their attention that thousands of people are rejected because they come from New Jersey and New Jersey is one of the states where box topping is illegal and it was passed on this floor to protect those people.

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I feel that we have a moral right to protect all the people who are now illegally buying sweepstakes tickets, whether they be the Irish Sweepstakes or the New Hampshire Sweepstakes.

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As you well know, Mr. Chairman and members of the Committee, all the legislators receive passes to four different tracks to be used if they so desire. For the last 12 years I

have received passes from my local track, Garden State, and I have used them but one time a year and that is when we have Assembly Day because I don't bet. I don't feel that this is one of the things that I like to do. I am a sportsman. I like to see baseball, basketball, football and such. But I might add that it has come to my attention by many, many people that there is hardly a day at any of the tracks when there isn't some woman's group being honored, some service group being honored - yes, and they even have a Prosecutors' Day at most all the tracks. Not that this is wrong - I believe it is right because it is legal. But I also believe we have a moral right to think of the people who are right now jeopardizing themselves by going up to the State of New Hampshire and purchasing these tickets. They want to do it; they are going to do it. We have 567 municipalities in this great state of ours and I'd safely say there will be a couple of million dollars a year siphoned right off of this state to New Hampshire for this very reason.

I can see revenue coming from this. My colleague Bill Musto put the revenue as one of the least things that he feels is a reason for passing it. He went into the moral right in which I concur thoroughly. But I don't think that we should make criminals of the little people who do these things and they do these things. And incidentally, Mr. Chairman, perhaps you will say, "Well, why do the little people do them and not the big people?" Well, the big people have enough money that they can fly to wherever a track is or wherever a sweepstake is being sold and do it there. It is

the little people who want to buy these tickets and will buy them.

We have had a fiscal note on this bill and I don't know whether Bill Musto read it, but the fiscal note says, and I'll read just one paragraph: "As a conservative estimate, the additional State revenue accruing to New Jersey from a legal State-sponsored lottery would be in the neighborhood of \$50,000,000." Well, I say to you, Mr. Chairman and members of the Committee, that this is a very low estimate. I feel inasmuch as we are a corridor state and I repeat - we are a corridor state - for the people of the South going up to the northern states and from the New York and New England States going down to Florida to the South. - I feel inasmuch as we are a corridor state the ceiling of \$50 million is low. I think it would be \$150 million. Now I am talking about the revenue. And I might add that of all this revenue that could be anticipated, 85 per cent at least would be purchased by out-of-staters rather than people in your home state. Those people would purchase who want to, but the greatest amount of money derived would be derived from people from other states who are passing through who would purchase tickets and there is nothing wrong in this. But I think the people of New Jersey should be given the moral right to select on the ballot whether they want ACR 4, the legalized lottery, or not.

I am sure that nobody in this great United States of ours thinks any less, any less, of John King, the Governor of New Hampshire, who signed the bill which is now law. I

think they still feel he is an honorable man and a moral man. I think they feel there is nothing wrong in this man and I am sure that they will feel there is nothing wrong in the Governor if he were to sign a law if the people so willed it at a referendum.

I want to thank the Committee for having me here. I appreciate the feelings of everybody who is going to speak. They have their own thoughts on the matter and they are entitled to those thoughts. But I think it is a moral obligation that the people be given the right. The people are given the right to put us in office or out of office. They are given the right to vote on whether they want race tracks, lotteries, bingos. They should be given this right too. Thank you, Mr. Keith.

ASSEMBLYMAN KEITH: Thank you, Assemblyman Werner. May I ask a question or two? Assemblyman, you were talking about box tops, the bill that was passed just a week or so ago in the Assembly. That bill, as I recall - there was no additional cost to the residents of New Jersey to participate. Isn't that true?

ASSEMBLYMAN WERNER: That is true. But you have to remember, legally if somebody walks into a store and just because they may be the five thousandth person coming into that store and they receive a prize, they contributed nothing except walking in the store. - yet according to our law it is illegal. I think this takes the onus off - it would be permissible, that that person wouldn't be declared doing something wrong.

ASSEMBLYMAN KEITH: Then you were talking about the little people, that it was your thinking that the little people should have an opportunity to participate in lotteries. Wouldn't it of necessity follow that then it would be the little persons, the persons least able to afford such an expenditure, that would be the ones that would be supporting this revenue-producing measure as you put it.

ASSEMBLYMAN WERNER: Yes, but don't you see it is their moral right to do what they want and if they are going to do it anyway, why make it illegal on their part?

ASSEMBLYMAN KEITH: You also mentioned that as far as your thinking was concerned it differed just a little from Assemblyman Musto in so far as the revenue aspect was concerned and I wonder if you have taken into your thinking some of the facts and figures of other countries that have lotteries, such as the Irish Sweepstakes that you mentioned, that has gotten some \$146 million of aid from the United States government, such as France who has received \$9 billion of aid of American dollars, such as Brazil that has received over \$1 billion of American dollars in aid and Argentina that has received over \$460 million of aid. These are countries that have established legal lotteries. Can you give us any thought in your mind why it didn't prove economically feasible in those areas where it was tried?

ASSEMBLYMAN WERNER: Well, not having gone to any of those countries and taking your figures, we are giving aid to all the countries throughout the world. Now you have mentioned about six or seven countries that have lotteries that

are receiving aid. How about the other three or four hundred countries who are also receiving aid who don't have lotteries? Just because they receive aid from America - and incidentally, Mr. Keith, it seems to be fashionable for all these countries to ask, ask, ask and unfortunately it seems to be fashionable for this country to give, give, give.

ASSEMBLYMAN DOREN:: In answer to Assemblyman Keith's question, you said that it was morally right to permit people to do things that they want to do. Is that correct?

ASSEMBLYMAN WERNER: That's right.

ASSEMBLYMAN DOREN: Do you think it is morally right for a bread winner, the member of the household who goes out and earns a living to support his family, to go out and play the horses, say, if we had off-track betting and deprive his family of the things which they are entitled to and which they would get were it not for the fact that he was spending his money on off-track betting?

ASSEMBLYMAN WERNER: Well, I am not on the bill for off-track betting, Mr. Doren. I am just on the lottery bill.

ASSEMBLYMAN DOREN: This is an observation that you made and I was wondering what your feelings were on that.

ASSEMBLYMAN WERNER: Well, it is morally right for everyone to go to church. I do. But everyone doesn't go. In other words, it is morally right for those who just spend what they are going to. It isn't wrong to bet. It isn't wrong to eat bread. But it is morally wrong if you are a

glutton and eat too much bread. So it is just as morally wrong to do any of the basic things we do every day. It is up to the individual's morals and I don't think we can control them, but I think we certainly should give them the out where if they want to do something -- The church doors are open every Sunday, but people walk right on by. But morally they should go in there. They have the moral right to go to church. Whether they do or not is up to them.

ASSEMBLYMAN DOREN: But it is morally right to open the door and make it easier for a person to participate in a thing which in the first instance/^{he}shouldn't because he can't afford it?

ASSEMBLYMAN WERNER: Mr. Doren, I don't know who except God is to say what we can afford and what we can't afford to do. Each and every one of us apparently are guilty of excesses in something. Now we know what we are doing morally wrong. We know what we are supposed to do morally right. You are not going to be able to tell a man, "Now it is morally right to buy lottery tickets, so go spend your pay." By the same token if this man doesn't feel it is morally wrong to buy one, he is going to buy one whether he has to go to New Hampshire or send somebody to New Hampshire to get them.

ASSEMBLYMAN WHITE: At one point in your presentation initially you mentioned the fact that 85 per cent of the revenue, I believe you said, could come from out of state sources. Did I understand you correctly on that?

ASSEMBLYMAN WERNER: Yes, you did. I feel that

when the computation is taken in the New Hampshire lottery this year - and 11 years ago I wanted to start one so that our state could take advantage of this economically - I think if they will give an honest computation, you are going to find that 85 per cent of their sales will be from out-of-staters, and I think that would pertain as much if not more so here because we are a corridor state. You just look at the golden streams on the Turnpikes, how they are flowing through. And Aunt Minnie and Uncle Joe from Wisconsin would say to some of these people, "While you are going through New Jersey, purchase some tickets."

ASSEMBLYMAN WHITE: Not to prolong that point, but would you say that this is based on your own personal opinion or do you have any statistics which would back this 85 per cent figure up?

ASSEMBLYMAN WERNER: No, I have no statistics except what I think will happen because I know that there are millions going out of this country illegally every year to other sweepstakes and why won't it pertain here?

ASSEMBLYMAN WHITE: Just one more question if I may: Do you feel that the lottery you are talking about in this particular resolution concerns itself with a statewide lottery in the nature of a sweepstake as opposed to local lotteries and things of that sort?

ASSEMBLYMAN WERNER: You mean are they similar?

ASSEMBLYMAN WHITE: No, the point I am trying to get at is this - are you thinking of a statewide sweepstake such as they have in New Hampshire?

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or, are you thinking of something more local in the municipalities?

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ASSEMBLYMAN WERNER: Oh, no, I am thinking of a controlled state lottery, just like anything that is now on our books is controlled, there too it can be controlled - but statewise, not municipal.

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ASSEMBLYMAN KEITH: Just one more question if I may: In your particular bill, Assemblyman Werner, you have a provision that the proceeds of the lottery are for dedicated purposes. Is it your thinking that the bill, if it is submitted to the public, should carry those dedications?

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ASSEMBLYMAN WERNER: I do and I think they should be carried in the order in which they are dedicated - in other words, institutions, education, highways and veterans' bonus, the four.

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ASSEMBLYMAN KEITH: One of the reasons I asked the question was because in the wording of it you have them in the alternative. You say "or" and I was wondering if you had a preference and I assume from your answer that there was a preference in the order listed.

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ASSEMBLYMAN WERNER: Yes, there is a preference there because, as you know, a constitutional amendment can be attained through a referendum. If the people want it dedicated that way, I think that is the way it should be dedicated.

ASSEMBLYMAN KEITH: Thank you very much for appearing before the Committee, Assemblyman Werner. We are grateful for your thoughts.

ASSEMBLYMAN WERNER: Thank you very much.

ASSEMBLYMAN KEITH: I would like to call as the next witness Mr. David Friedland of the Central Labor Council of Hudson County. Would you identify yourself and give you address too, please.

D A V I D F R I E D L A N D: Mr. Chairman, my name is David Friedland. I am an attorney-at-law of New Jersey and I represent the Central Labor Council of Hudson County and its affiliated locals. I have copies of my statement for the Committee.

Mr. Chairman, this statement is filed on behalf of the Central Labor Council of Hudson County, which is an organization composed of 110 affiliated unions, representing approximately 100,000 people in all fields of industry in our state.

We wish at the outset to commend the Committee and the Legislature for its decision to hold hearings on this important issue.

I know that the distinguished ladies and gentlemen present and the clergy will believe me when I say that I am not here out of private motive or interest or profit, but in an honest attempt to seek the truth and that I respect the views of those who have the courage and conviction to come here in our great American tradition and give us the

benefit of their own thoughts on this matter.

When New Jersey's voters last November rejected the proposed \$750 million bond issue for financing various state needs, we believe it was by no means a protest that the needs did not exist. On the contrary, all of the organizations which were united to oppose the bond plan acknowledged that New Jersey must soon find substantial additional revenue to meet the cost of vital building programs and other services.

The groups which organized to oppose the bond proposal, however, were largely divided on the question of how best to raise the needed funds; they were united only in their conviction that the bond plan was not the best way.

Thus the fundamental question - how to obtain more money for institutions, schools, highways and other purposes - remains unresolved.

I know that the members of this Committee and the members of the Legislature are quite familiar with the alternative methods of financing which have been proposed. The organizations that I represent and the hundreds of thousands of laboring people in this state are opposed to a state income tax and are opposed to a state sales tax. We firmly believe that the people of our state have been taxed enough and that business in our state has been taxed enough. Labor believes that New Jersey should look in an entirely different direction for an answer to our financial impasse. We believe that a state lottery or off-track betting, or both, would provide a simple, effective, and, as Assemblyman

Musto said, a painless way out of our difficulties; and, at the same time, offer a partial remedy to the serious social evils growing out of illegal gambling.

Recent events in two nearby states have justified our feeling in this regard. Our feeling is justified by the result which occurred in New Hampshire. On the very day the voters of this state were turning thumbs down on the bond proposal, our neighbors in New York City voted overwhelmingly for legislative consideration of off-track betting. They voted so decisively, in fact, that their expression is generally considered as a mandate to the New York Legislature to act without further delay.

In almost any discussion of off-track betting or a state or national lottery, it is a foregone conclusion that objections and sincere objections will be offered that such procedures are immoral. If gambling under moderation and strict control is immoral, then we are the most immoral people in history. Sodom and Gomorrah would blush at our conduct. I do not believe that we are a nation of immoral people. But I do believe that we are hypocritical in our treatment of gambling. I can't believe that Rutgers University, Harvard University, Princeton University, church buildings in the state which were partially financed by raffles or lotteries were the products of immoral behavior. I cannot believe that the people of the State of New Hampshire, the people of this state, the people of New York, the people of Australia, England and other countries which have legalized gambling or legalized lotteries are immoral people. It is an idiosyncrasy of us Americans to believe that we can make ourselves good

by making it a crime to be bad. It is our common delusion to suppose that if anything goes wrong, all we have to do is pass a law to make it right. Unfortunately, it makes no difference what kind of laws we put on the statute books, we remain exactly as we were before. No self-serving declaration of righteousness can improve us by a single jot or tittle. We cannot lift ourselves by our own moral bootstraps. We cannot intensify our faith by eloquent preambles to legislative enactments, nor can we make ourselves well by declaring it to be a crime to be sick. Yet we seem to be convinced that we can sanctify ourselves by passing statutes and that so long as we pronounce ourselves good, there will be no more cake or beer. The fact of the matter is that we want to appear better than we are. But we are living in a fool's paradise. Ninety-nine per cent of all law is unwritten. Human affection and loyalty, morals, religion, chivalry, good sportsmanship, manners, etiquette, even mere taste, are vastly more important in making people behave themselves than the fear of going to jail. What people won't do for themselves, they are not apt to do for the law. People who have no consciences will not obey the law.

Only those laws are wise which are perceived by public opinion to be for the best interest of the citizens. No law can be enforced that defies public opinion or is contrary to the reasonable demands of human nature. As Emerson said: "The wise know that foolish legislation is a rope of sand which perishes in the twisting; that the state must follow and not lead the character and progress of the citizen."

You cannot make people regard as sinful that which their consciences tell them is not by making it illegal. You may succeed for a time in preventing the forbidden acts, but in the long run an intolerant law arouses such antagonism that it will almost inevitably make lawbreakers out of even good citizens. Desire to do the prohibited thing grows with repression until the social boiler explodes. People who think that betting \$2.00 on a horse is an innocent and reasonable form of recreation will not be led to regard it as morally reprehensible because the Legislature makes it a misdemeanor or even a felony to do it.

We have said that no law can be enforced which defies public opinion or is contrary to the reasonable demands of human nature. In this spirit we believe that this Committee should recommend that the question of off-track betting and state lottery should be submitted to the people of this state. We believe that the vast majority of the people of our state do not believe that certain types of gambling under strict state control is morally wrong. In our own state on every single occasion when the people have been asked to express themselves on the liberalization of gambling laws, they have voted affirmatively. Legalization of pari-mutuel betting, bingo and raffles, seashore and amusement park games of chance, all have been approved by the people.

Assembly Concurrent Resolution 2 introduced by Assemblyman Musto and Assembly Concurrent Resolution 4 introduced by Assemblymen Musto, Kijewski, Werner and Sweeney

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will give the people of New Jersey an opportunity to decide for themselves whether they want a state lottery or off-track betting because the process of Constitutional amendment provides for the submission of the issue to the people at a general election.

The organizations that I represent asked me to plead that this issue be submitted to the people of our state. They asked me to tell this Committee that our standards of morality and honesty are as high as the standards of morality and honesty in effect in other states and in effect in other nations and in effect in Europe and Latin America.

Let us disregard the false assumption that we cannot conduct a decent lottery. Let us have the courage and wisdom to do what the people of our state demand and what the law-abiding citizens of other states have done. At least, let us have the fairness to let the people of this state decide that issue for themselves.

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Thank you, Mr. Chairman. I hope the people here will realize that what I have said I have said with sincerity and I respect their positions as well. We believe that this is an issue which ought to be submitted to the people for their decision. Thank you.

ASSEMBLYMAN KEITH: Thank you, Mr. Friedland.

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In your comments you made a statement that the hundreds of thousands of laboring people in this state are opposed to a state income tax and are opposed to a state sales tax. Do I gather from that that is merely your personal opinion or do you speak or have the authority to speak for the

hundreds and thousands of laboring people in the State of New Jersey?

MR. FRIEDLAND: Mr. Chairman, a resolution was introduced at the organization that I represent that represents over a hundred thousand people in this state in opposition to a state tax and state income tax and I gathered that their expression of opinion is the expression which I have conveyed to this Committee today, that they are opposed to it and they put themselves on record as being opposed to it. While I can voice my own opinion, I am here as a representative of these people and this resolution is a matter of record with these organizations that I represent and there are 110 affiliated unions with this central body.

ASSEMBLYMAN KEITH: In other words, that statement of yours is only in so far as the organizations that you represent.

MR. FRIEDLAND: Yes, sir.

ASSEMBLYMAN KEITH: I see. Thank you. Let me ask this too: The organizations that you represent - are they also in favor of legalization of all types of gambling in New Jersey?

MR. FRIEDLAND: No, they are opposed to it. We believe that the legalization of all types of gambling at this time is unwise primarily as the result of the reasoning which Assemblyman Musto advanced, that the people don't want it and they don't engage in it and it probably would be harmful to have legalization of all types of gambling. After all, you can have a horse drink too much water from the well.

of ASSEMBLYMAN KEITH: Do I understand that the main reason for your asking that this matter be submitted to the voters is from a revenue-producing standpoint?

in MR. FRIEDLAND: No, that is not the reason. We believe gathered that it is hypocritical for this state to tell people that they may engage in gambling in only certain areas, only at I certain times and that it is socially destructive of our posed entire system of law and order to be hypocritical in the administration of our criminal laws. When you tell people l to that they may go to a track and gamble, but that they may not go around the corner and gamble, you are telling them that ent a thing is morally right under some circumstances, but morally dy. wrong in other circumstances and the only circumstance which ent changes is the location of the gambling. We consider that to be hypocritical and destructive of our entire system of ask respect for law and order and our people do not respect such ey laws as is evidenced by the widespread gambling in this state n and in other states of the Union.

ASSEMBLYMAN KEITH: What would your organization's thinking be if there were no revenues to the State of New Jersey at all from these two proposals?

MR. FRIEDLAND: We would wholeheartedly support t Assembly Concurrent Resolutions 2 and 4.

ning ASSEMBLYMAN KEITH: Thank you.

want ASSEMBLYMAN DOREN: The Central Labor Council harmful of Hudson County, do they have a preference as to which one they prefer, ACR 4 or ACR 2?

1, MR. FRIEDLAND: They have not expressed a preference

and I am not aware of any preference which has been put to the membership and approved. The remarks which I have made today are authorized by a vote of the membership so that your question has not been directed to the people that I represent and I am not yet aware as to whether or not they would distinguish between one resolution or the other. I do know that they have authorized me to speak in support of both.

ASSEMBLYMAN DOREN: Of course, the A.F.of L.-C.I.O. State Council has not taken a position in so far as any sales or income tax is concerned. Is that correct?

MR. FRIEDLAND: Well, I don't know what position the State A.F.of L.-C.I.O. has taken on it, officially or unofficially, and I do not represent them here today.

ASSEMBLYMAN DOREN: But you have representation on the Council, don't you, sir?

MR. FRIEDLAND: The Central Labor Council, of course, is represented in the State A.F.of L.-C.I.O. and our efforts here today are engaged in only on behalf of the Central Labor Council. I have not been authorized to speak on behalf of the State A.F. of L.-C.I.O. and I am not. I am just speaking on behalf of the hundred thousand people in our county, members of our organization.

ASSEMBLYMAN DOREN: I only make that observation due to the fact you have stated that your group and hundreds of thousands of other labor people are opposed to a sales and/or an income tax.

MR. FRIEDLAND: Well, I have not heard any evidence to the contrary and I do know that I am authorized to speak on

behalf of the organizations which I do represent.

ASSEMBLYMAN KEITH: And the organizations that you represent are 110 affiliated A.F.of L.-C.I.O. unions. Is that right?

MR. FRIEDLAND: I represent the Council of those unions and the Council has voted to approve this statement. I assure you I have credentials to appear here.

ASSEMBLYMAN KEITH: We don't doubt that at all. We just want the record to show clearly who you are talking for because of the broad general statement in your written statement that was submitted when you said that hundreds of thousands of laboring individuals feel as they do. You also represent, don't you, the Joint Council 73 of the Teamsters Union?

MR. FRIEDLAND: I do represent Joint Council 73 of the Teamsters Union and this statement was to have been filed on behalf of Joint Council 73, but as a result of the very matter which you are inquiring into, my earnest concern that I not make a statement which had not yet been submitted to the body, I had been informed by the Executive Board of that Council that I might make such a statement but the matter had not yet been submitted to the membership and rather than claim support for people I did not represent officially as a result of a membership resolution, I did not make the statement on their behalf.

ASSEMBLYMAN KEITH: Might I ask this then: In your representation of the Central Labor Council of Hudson County which in turn represents 110 affiliated A.F.L.-C.I.O. unions

whose membership total over one hundred thousand for whom you speak - that you are speaking for all of those hundreds of thousands of laboring people in the group that I just mentioned and you are stating on their behalf that none of them are in favor of either a state income tax or a state sales tax.

MR. FRIEDLAND: Of course, Assemblyman Keith, you must understand that there may be people in our organization, a few of them or a handful, who are opposed to a state lottery. This is true not only of our organization, but any organization which operates under democratic procedure of majority vote, just as in this Assembly. I know that a majority of the Assembly do not speak for a majority of the people of the state necessarily, which is the subject of my apportionment suit. But I do know that my view does represent a majority of the people of our organization because they have authorized it by an appropriate resolution. I do recognize that there are people in our organization, just as there are people here, who are opposed to the enactment of ACR 2 and ACR 4.

ASSEMBLYMAN KEITH: May I just make one correction to a statement that you made because in my opinion I think you are incorrect when you say that the New Jersey Legislature does not represent all of the people of the State of New Jersey.

MR. FRIEDLAND: No, I didn't say that, sir. I said only - I didn't mean to get involved in the argument that has been presented to our Supreme Court. All I meant to say was that a majority of this Legislature are elected by 46.5 per cent of the people.

ASSEMBLYMAN KEITH: I would like to just comment for the record that the entire membership of the Legislature of the State of New Jersey are elected by all of the people of the State of New Jersey who exercise their given right to vote. And may I just ask you this --

MR. FRIEDLAND: Please don't misunderstand me, Assemblyman. I didn't mean in any way to impair the majority status of these legislators here. I know they are elected by the people of the counties that they represent and I meant no criticism of the members of this Committee or of any members of the Legislature.

ASSEMBLYMAN KEITH: I was only making comment to your comments. In your statement then, in so far as the written statement that you have presented, is this also to be construed as the opinion of Joint Council 73 of the Teamsters Union?

MR. FRIEDLAND: No, it is not filed on behalf of them.

ASSEMBLYMAN KEITH: Thank you.

ASSEMBLYMAN WHITE: If I may, sir, the first three pages of your written statement have indicated the voters' refusal or repudiation of the bond issue last year, the repudiation by your affiliated groups of a sales tax or an income tax and the apparent need for additional revenues in many fields of state government. Now with that in mind on the one hand, you have indicated that your primary concern, I believe, is to remove either a moral or a social problem which exists in our society. Now which is first and foremost,

the revenue portion or the portion on the moral problem?

MR. FRIEDLAND: First, the elimination of the moral stigma which is attached to making an act criminal which is engaged in by most of the people of the state. And, second, and inextricably tied in with the moral question because there is a moral stigma attached to not providing facilities to needy people, and if our state is unable to provide facilities for the sick and insane, then we are failing in our moral duty to these people. So there is a moral obligation to raise money to provide for the people of our state to make sure that they are properly taken care of. So when I speak of money, I am interested not in money for money's sake; I am interested in obtaining money for the treatment of the sick and the insane, for the furnishing of institutions and schools and hospitals. This is why money is desired. Money is not desired to put in the coffers of the Hudson County Central Labor Union.

ASSEMBLYMAN WHITE: I appreciate that, sir. The main thing then, coming right back to this point, is that you are primarily concerned with a revenue-raising ---

MR. FRIEDLAND: No, I am not. I am first concerned with the moral issue of making something illegal which is engaged in by a majority of our people. And secondly and lastly concerned with the financial question. As I indicated previously in answer to Assemblyman Keith's question, were there no provision in this statute for financial payment to the state or revenue-raising matters contained in this measure, I would support the measure nonetheless. So I am strictly and

primarily interested in the moral aspect and only secondarily in the financial revenue-raising aspect.

ASSEMBLYMAN KEITH: Thank you very much, Mr. Friedland for coming down. We appreciate your comments.

As the next witness, I would like to call upon Rev. Samuel A. Jeanes of the New Jersey Council of Churches. Reverend, will you identify yourself and give your address, please.

R E V. S A M U E L A. J E A N E S: Mr. Chairman, my name is Samuel A. Jeanes, 6541 Cedar Avenue, Merchantville, New Jersey, representing the New Jersey Council of Churches. I serve as the Chairman of their Legislative Committee.

There are many people here today, Mr. Chairman, who didn't come to speak, but they have come quite a few miles and at the suggestion of Mr. Alito, we would like to submit their names and addresses at the conclusion of this hearing so that you will know that they are here.

ASSEMBLYMAN KEITH: We would be very happy to receive them.

REV. JEANES: The New Jersey Council of Churches, which represents fifteen state and regional bodies of twelve denominations in this state, is unalterably opposed to any further extension of gambling in New Jersey. The Current Legislative Principles approved by all of the denominational bodies states regarding gambling:

"We believe that gambling is a moral and social evil

that undermines our economic order, defeats true benevolence, favors the philosophy of 'getting something for nothing' and leads to individual and social demoralization. Petty gambling, under whatever name, offers the greatest and most wide-spread appeal to those who are least able to afford it."

We specifically oppose ACR 2, which would legalize off-track betting, and ACR 4, which would legalize a state lottery. The objects set forth in ACR 4, for which the legalization of this form of gambling is sought, are not unworthy ones. However, the worth of the objects does not justify the means which this legislation would legalize. Education is a problem for all the people. State institutions is a concern for all of our citizens. We have all benefited by the sacrificial service rendered by our military men and women. And incidentally this is not lacking in public recognition. A recent news story indicated that this past year New Jersey veterans received approximately \$183 million in public money in pensions, services and considerations because of their prior military status.

Of course, we are all dependent upon state, county and local roads. However, this piece of legislation before you says in substance, "We will not expect all of the citizens to bear their fair share of taxation for these worthy causes and services upon their ability to pay, but rather we will expect only the people who are victims of the gambling neurosis to bear these fair costs of government."

We are not surprised that proposals like these are made because too many people are looking for financial miracles

to happen to pay the cost of government.

Take a long look, however, at what these proposals could do. It is a matter of fact that the participants in most gambling are not those who are best able to pay, but rather those who are least able to resist the temptation to gamble. We should protect these people...certainly we should not exploit them.

The Public Affairs Pamphlet organization has published a periodical dated January 1964, entitled "When you Gamble - You Lose More than Your Money." With your permission, I would like to secure copies of this for the Committee. I think it is a real revelation.

ASSEMBLYMAN KEITH: We would be very happy to receive them and make them a part of the record.

REV. JEANES: I will see that this is given to you.

This was written by Gordon Cole, Editor of the "Machinist," the official organ of the International Association of Machinists, and Sidney Margolius, a writer and expert on Consumer Problems. This pamphlet is a devastating rebuttal to the contention that opposition to gambling is nothing but a hangover from Christian Pietism. This study by objective writers is factual. It quotes Oswald Jacoby, an outstanding insurance actuary who says, "The only way to beat the races is to own the race track." They contend that legalized bingo in New York State still pays its operators 34 per cent. And in the case of the Irish Sweepstakes referred to in ACR 4, it quotes the reputable Christian Science Monitor as saying, "The main beneficiaries are two individuals who privately run the

'Sweeps.' These are Joseph 'Big Joe' McGrath, a prominent horse-racing figure and former politician, and his partner, Spencer Freeman. They are now among the wealthiest men in Europe because of their take in the 'Sweeps.'

This same objective report states, "The use of off-track betting and lotteries to raise revenue actually is a tax on low income families that is even more regressive than a sales tax. In England, for example, it was found that much of the now legal off-track betting, was done by working families and retired people on pensions.

ACR 4 makes reference to Great Britain and its gambling revenue. Let me submit to you that Great Britain's "gambling binge" which has been greatly publicized has not solved its problems. In spite of the \$8,668,300,000 American dollars poured into its economy since the end of World War II, England still has 500,000 dwellings unfit for habitation. One-half of all the homes in Glasgow have no bath tubs. More than one-third of all Liverpool houses are classified as slums. 100,000 families in Glasgow alone are on the waiting list for public housing. Are these the people who have been putting their money, some of it dole money, in the lotteries and off-track betting of Great Britain, instead of into productive enterprises that would ultimately lift their standard of living? Has the corroding influence of legalized gambling done something to the moral determination which characterized these people?

We must not overlook the fact that any extension of gambling, particularly of the nature recommended by the

legislation before you, could have an unfortunate impact upon the standard of living of many families. Heads of families could succumb to the chance of big stakes and pour sizable sums of family income into lotteries. It seems ironical for our labor organizations to work to raise the salary level of thousands of workers only to have their salary increases poured into a lottery where the overwhelming number of people stand to lose.

We are not unmindful that the State of New Jersey has needs. We know about the overcrowded conditions in some of our institutions. These are genuine needs, but these proposals are not realistic. They represent a very shallow approach. No realistic figures have been produced regarding these proposed "gambling gadgets." What has been stated is far removed from meeting the conservative estimate of need expressed by the Administration. Why not present a forthright solution to our total need rather than such "sugar-coated" methods of taxation which will do economic, social and moral injury to those least able to afford it?

We would call your attention to the words of Secretary Dillon from Washington spoken just less than a week ago when he labeled a lottery for the federal government as unfeasible either morally or economically. And may I quote to you Richard Cardinal Cushing who when a similar bill was before the Massachusetts Legislature said, "It is my honest conviction that the lottery, as a form of large-scale gambling, is uneconomically unsound, socially disintegrating and morally dangerous."

Some have been urging that this matter be submitted

to the people. You are the elected representatives of the people and there are areas in our total life where you must vote to protect the people. There are forces that stand to profit by such proposals as lotteries and off-track betting that would pour money into public relations programs to unduly influence a referendum. There are many proposals which come before you in every legislative year where you exercise the right of your vote in behalf of the total good of the population. This is one of them. We, therefore, urge you to report unfavorably upon ACR 2 and ACR 4, which are not good for the people of New Jersey.

ASSEMBLYMAN KEITH: Thank you, Reverend. I gather from your statement and comments that your opposition to both of these resolutions are based both on the moral aspect as well as the economic. Is that correct?

REV. JEANES: That is right because we feel that anything that is sociologically bad for the people or basically economically bad for the people has large moral overtones.

ASSEMBLYMAN KEITH: And might I ask this too, Reverend: You mentioned that you are not unmindful of the needs of New Jersey, and the entire committee wholeheartedly agrees with that thought. And you state: "Why not present a forthright solution to our total need?" Does your organization have any particular thinking in that area?

REV. JEANES: Our organization has made no recommendation as far as taxes are concerned. As an individual, I feel we do need some form of taxation which will help to meet the pressing needs which are upon our state institutions and the

the problems of education, but I am not committed to the organization or I don't want to commit them.

ASSEMBLYMAN KEITH: Surely, Reverend. Thank you.

ASSEMBLYMAN DOREN: Rev. Jeanes, can you express an opinion as to why it is morally right, if you so believe, to be able to go and purchase a chance on a car, to play bingo, and not to be able to purchase a ticket on a sweepstake or a lottery? What is the difference in your opinion? I would like that cleared up for me.

REV. JEANES: First of all, I would say that I am opposed to all forms of gambling. Inasmuch as the people have legalized race track gambling - let me put it this way - though I am very much opposed to race track gambling, it seems to me that race track gambling is less accessible to the rank and file of the people. But the more you make gambling accessible so that it gets down to the corner store, then the sociological and economic factor becomes even greater. There are four places where they can go to race tracks. But this in itself involves the expenditure of sizable amounts of money. Though basically we accept this as wrong, if there is such a thing as one thing being less wrong, this would be it.

ASSEMBLYMAN DOREN: May I ask you this: Are you opposed to people purchasing chances by these groups? Some of the churches have these raffles for automobiles and the veterans' groups and the rescue squads and the fire departments. Do you think that it is morally wrong to purchase a ticket for a chance on cars?

REV. JEANES: Let me answer it this way; Assemblyman Doren: When the bingo-raffles proposal was before the Legislature, the New Jersey Council of Churches opposed this. We actually campaigned against it. As soon as the vote of the people was established, then the New Jersey Council of Churches offered their assistance to the Legislature in helping to prepare laws that would put good restrictions upon it so as to keep out as much as possible any racketeering elements. This, however, does not mean that we endorse the rightness of the thing. But as long as it is here, we did everything that we could to endeavor to control it.

ASSEMBLYMAN DOREN: But going back, just specifically do you think it is morally wrong for anyone to buy a ticket to win a car from any of these groups that may participate in that function?

REV. JEANES: I will answer that yes because I think that actually there are many, many people who stand to lose. There are fire companies, for instance, in the State of New Jersey where the members of the fire company will put forth enough effort to receive contributions from the people to take care of the needs of these particular organizations and I am sure that the method of chancing is just an easy way out that relieves the responsibility of facing every citizen with his responsibility to share the needs of his own community. In other words, we all ought to share in what we get.

ASSEMBLYMAN DOREN: Assume that this were placed on referendum and the majority of the people voted for a lottery -

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and I am limiting myself to a lottery - don't you feel as you have stated that with your cooperation and the assistance of every large group that we could keep out racketeers and gangsters in this particular field?

REV. JEANES: I would rather not try it because of the history of lotteries. For instance - and I think we are all familiar with the history of the lottery here in the United States - going back to the State of Louisiana which I think was the last legalized lottery until New Hampshire began to experiment with it, if I remember the history, it seems to me that after a time the lottery organization owned the legislature and finally the people threw the whole thing out and started over again. But I feel that there are real dangers.

ASSEMBLYMAN DOREN: Thank you, sir.

ASSEMBLYMAN WHITE: Reverend, don't you think there is an inborn element in almost every person today to have some gambling urge or some gambling desire?

REV. JEANES: There may be. I recognize also that there are many urges in humanity which are not always good. We do not endeavor to legalize every urge that human beings may have, particularly if we can see where this urge can get them into trouble.

ASSEMBLYMAN WHITE: I think we can all recognize that there is some area - and I tried to bring this out earlier - where a person could get into trouble very easily simply by being a small wage earner with a large family and making this available to him. - I think you commented on this also - would make it very easy and simple for this person perhaps

to wager away 50 per cent or more of his weekly wage to the detriment of his family. But with this in mind and with the fact that I still feel that there is a certain tendency in all people, do you feel that we can effectively legislate against this tendency to the extent that everybody will some day, we hope, be removed from all forms of gambling? Do you think that can be legislated?

REV. JEANES: I don't know that this can be legislated. However, I wouldn't offer any more proposals to the people to uneducate them, if you see what I mean. I think that our churches have a tremendous responsibility. I think our organizations that deal in public relations, the press, radio and television have a tremendous responsibility to educate the people so that they can see the difference between a bona fide risk and just gambling. I like to think of it this way, that gambling basically has no creative enterprise involved in it. People will say, "Well, now I buy some stock in a certain organization," but here you do have a creative enterprise which is making possible thousands and thousands of jobs so that our people can have a good living. Let's come back to the race tracks. We have tremendous sums of money invested in these, but what kind of an economy does it produce? Most of the people employed by the race tracks work for just 50 days a year. This is not good for the economy because not many people can sustain their family on a 50-day-a-year operation. Do I make myself clear in this?

ASSEMBLYMAN WHITE: I think you do, yes, sir. Let

me ask you one further question in that light. Do you feel that the present regulation of race track betting, the pari mutuel betting, is adequate in New Jersey today?

REV. JEANES: I think the State of New Jersey is doing a commendable job. There have been a couple of cases that have come to our attention in the Council of young people below the age limit who have gotten into the tracks. We had some correspondence with a family in the northern part of the state and I think the Legislature is familiar with this material. This involved a college student who got into the track and evidently lost all of his tuition money. There ought to be some protection at this point. This, of course, is a matter for law enforcement agencies and perhaps the Legislature to take a look at it and tighten up the law a little bit.

ASSEMBLYMAN KEITH: Just one question, if I may, to follow up Assemblyman Doren's thought about the morality of the church raffles and the bingos that are conducted and sponsored by churches. How do the churches justify the authorization and the permission given to the churches and their members to participate in these raffles if they are immoral?

REV. JEANES: Well, I don't know of any churches within the constituency, that is, local churches within the constituency of the New Jersey Council of Churches, that have participated in bingo and raffles. Now there may be some, but there are none to my knowledge. Most of our churches endeavor to raise their support by the teaching of Christian stewardship, the every member canvass, if you please, putting

it on the line and saying, "This is what we need to operate the program of the church, to carry on its missionary enterprise and, if you will do your part, we can do this." And I think that more and more churches are moving into this area of stewardship education.

ASSEMBLYMAN KEITH: Thank you.

ASSEMBLYMAN DOREN: You stated that you are objecting to placing this on referendum because, as you say, there are forces that stand to profit by such proposals as lotteries. Do you sincerely believe that the majority of people of our state that go out to vote are moved by any pressure groups, that they would be in the majority, that they could put over any form of legislation by way of referendum?

REV. JEANES: Yes, it seems to me, Mr. Chairman, that public relations organizations can do a terrific job when they get started.

ASSEMBLYMAN DOREN: In the long run, don't you feel that the majority of the people that go out and vote, vote what their mind dictates and what they feel is right, whether it is for a candidate or for a proposal, whether it is a school budget or any other item you may have on referendum. Don't you believe that they really do what their conscience tells them to do?

REV. JEANES: Let me put it this way: Many times when we have public referendum questions a sizable percentage of the people will even overlook these questions.

ASSEMBLYMAN DOREN: But if it is properly presented, and apparently here we have a lot for and against, - there are a

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lot of newspapers are against this - don't you feel that the people should have something to say on an important issue as this, regardless of your objection because of these pressure groups?

REV. JEANES: If you want my answer as to whether or not this should be submitted to the people, my answer is no to this for this simple reason: The opposition to this would come largely from church organizations. Most of the churches are using their funds already to support the missionary endeavors of their own community and to the far corners of the earth. They don't have large campaign funds available for this type of thing. In fact, I should say they don't have any funds available for it and we are actually no match for interests that serve to profit by this. If the issue could be clearly presented and if there was available funds, equal time, etc., perhaps we could do a good job. But I still wouldn't want to risk it. After all, I always like to refer to this - and this may not be a good illustration and then on the other hand it might be - but the condemnation of Christ was subjected to a public referendum and we all know what happened.

ASSEMBLYMAN DOREN: Now you refer to certain groups that stand to profit. Since this is going to be a state-controlled lottery under this one provision, what groups are you referring to that would profit other than the State of New Jersey?

REV. JEANES: This I can't specifically state. But, for instance, if this objective study of the Public Affairs Pamphlet indicates that professionals still make 34 per cent in

New York with legal bingo, evidently there must be some way of getting into this thing.

ASSEMBLYMAN DOREN: Do you feel that our bingo games are being properly regulated?

REV. JEANES: As far as I know, I think in the State of New Jersey we have been doing a very good job.

ASSEMBLYMAN DOREN: You have no objection to bingo at the present time.

REV. JEANES: No.

ASSEMBLYMAN DOREN: Although you did originally.

REV. JEANES: This is right. But I still don't agree with the principle of it.

ASSEMBLYMAN KEITH: Thank you very much, Rev. Jeanes. We appreciate your appearing here.

REV. JEANES: Thank you very much. We appreciate your willingness to hear us.

ASSEMBLYMAN KEITH: Mrs. Elgin R. Mayer of Yardville who evidently represents the New Jersey Christian Conference on Legislation. Mrs. Mayer, would you identify yourself and give your address, please.

M R S. E L G I N R. M A Y E R: I am Mrs. Elgin R. Mayer of Yardville. I am Vice President of the New Jersey Christian Conference on Legislation and I represent this body.

Honorable Sirs: The New Jersey Christian Conference on Legislation and its several constituent bodies are deeply opposed to Assembly Concurrent Resolution No. 2 and No. 4, which propose to amend the State Constitution to permit off-track

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betting and lotteries, respectively.

The Son of God has come to destroy the works of the devil. We henceforth give God the pre-eminence in this concern of the people. And we do believe that it shall be, even as He says.

We do commend the Judiciary Committee for bringing this grave matter out in the open. And we do admonish you before God to see the civic righteousness prevail, which He has called you to perform. Thank you most sincerely.

ASSEMBLYMAN KEITH: That was such a perfect statement I have no questions.

ASSEMBLYMAN DOREN: I have none.

ASSEMBLYMAN KEITH: Thank you very much for appearing. We are very grateful.

MRS. MAYER: And Amen.

ASSEMBLYMAN KEITH: And Amen. We will all say Amen when the day is over.

The next witness I would ask to appear would be Rev. John B. Crowell of Elizabeth, representing the Elizabeth Area Council of Churches.

R E V. J O H N B. C R O W E L L: I am Rev. John B. Crowell, the pastor of the Hope Memorial Presbyterian Church of Elizabeth, New Jersey, and represent the Elizabeth Area Council of Churches.

The cry for more taxes for the state is growing louder and louder each year. Whether these are essential or not, is not the question we are here to deal with. But it is the conviction of the Elizabeth Area Council of Churches which I

represent that the legalization of off-track betting and of the conducting of state lotteries is not the way our legislators should seek to raise tax money.

From one point of view, the people whom I represent could get quite enthusiastic about such methods of securing more tax money because it would mean that somebody else would pay the taxes. We do not bet, most of us. As we think of the hordes of people who are taken in by the will-of-the-wisp hope that they will be the lucky ones to make a fortune out of the state lottery and who will therefore pour their money into the purchase of tickets, we could well say, "Let these people support the state in their greedy hope to be made rich with no effort more than that of buying sweepstake tickets." Or as one of our opponents preferred not to use that word "sweepstake," we'll say lottery tickets. When they gamble thus, and in the legalized horseparlors, they won't think of the taxes they are paying, but they will be buoyed up by the eternal hope of one day making a killing. What a painless way to raise taxes, even for those who do the paying. Now this sounds good. This is great bait offered to get more gambling legalized.

It is when we come to think of the effects of gambling on our citizens, on our businessmen, on our homes, not to mention the power of this thing to corrupt politics, as it did in this very Legislature in the 1890's to a very considerable degree - when we think of these things, then we lose our enthusiasm for this method of raising more taxes. We are a democracy and our legislators should always seek to decide

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issues on what is best for the whole people. If this is done, we do not see how the members of our New Jersey Legislature can conscientiously support this proposed legislation.

First, it is harmful to business. We know that it will help some businesses. The New Jersey State Chamber of Commerce some years ago conducted a survey on the economic effects of pari-mutuel horse racing, measured by the experiences of some eleven major states, and pointed out that it did help hotels, motels, restaurants, bars, garages, in the vicinity of the tracks, and also a few farmers. But they also pointed out that it harmed a great many retail and wholesale concerns dealing in staple lines of merchandise. It tended to slow up production. It disturbed the normal tenor of employer-employee relationships, and it discouraged new industries from locating in these areas of the tracks. It had a peculiarly damaging effect on personal credit and the collection of accounts. With a few exceptions which our opponents would certainly play up, the Chamber of Commerce of our state found that gambling is bad for business.

Second, it is harmful to the life of many families. Years ago former Mayor Brunner of Camden made a great outcry because of the adverse economic effects of the gambling at the Camden track. But he also had some things to say about what it did to the homes. I quote him, "I've seen too many homes broken around here by racing. One of my best friends lost everything he had. I know a man who cut expenses to the bone to save a hundred dollars for his wife's confinement. Then

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he heard the boys on the street corner talk about long shots and he got a bright idea. The result was that his wife had her baby in the charity ward in the hospital.

More from Brunner: "There is a fellow in town who is trying to save for the mortgage on his house. The poor fellow rides to his job at the shipyard every day on a bike, with his lunchbox on the handlebars to save money. He wants to pay off his mortgage, but he isn't going to do it and he is going to lose his house any day because his wife has caught the gambling bug and all that he saves and more, she spends at the track. I don't know how many old ladies I've seen crying at the track because they lost the grocery money."

Do we want tax dollars raised by adding to the number of families that suffer from the increased gambling that off-track betting and state lotteries would certainly encourage?

Now, third, it is harmful to the gambler himself. It weakens character. The person who gets accustomed to seeking something for nothing, gets dissatisfied with common toil as a way of earning a living and in his willingness to secure gain at the cost of other people's losses, he becomes greedy and he becomes callous to other people's suffering. Or he may even seek to recoup his own losses by dishonest ways and become a thief. Now many don't go that far. They simply fail to pay their bills.

No state is stronger than the average of the character of its citizens. We do not want to see that character weakened on the part of many and we do not believe that our legislators do either.

Fourth, of course, we churchmen have another reason for opposing gambling. We want to see more souls saved. And when people become addicted to gambling, it is almost impossible to reach them. In fact, a leader of the Bowery Mission in New York once said that he had known many drunks who won from their debauched lives by turning to Jesus Christ, and many thieves, and many libertines, but he could count on the fingers of one hand those who had become regular gamblers who were ever won from that way of life and turned to the better ways of life. We plead with you to give the churches a better chance to do their God-given work of character-building, for in that work successfully done is the greatest assurance of a citizenry that will make for democracy at its best. And that we are all interested in.

The Elizabeth Journal over a period of two or three weeks this month ran the opinions of the mayors of the various municipalities in Union County on the question of additional taxes for the state. The answers were quite varied. There was no unanimity of opinion. One came out against a sales tax, stating that he was against a tax that would bear heaviest upon the common people. He was for more legalized and taxed gambling. Who does he think will go to the legalized bet parlors and buy the bulk of the lottery tickets if a state lottery should be legalized? And he fails to recognize that not only would the common people be the main support of such a tax, but in the process they would suffer economically and in their homes and in their personal character.

When Tom Dewey was Governor of New York and Mayor

O'Dwyer was in control of New York City, the mayor came out for more legalized gambling, as has Mayor Wagner just recently, and Governor Dewey responded to the O'Dwyer suggestions with these points:

1. "It is fundamentally immoral to encourage the belief by the people as a whole in gambling as a source of family income."

2. "It would be indecent for government to finance itself out of the weaknesses of the people."

3. "Legal betting rooms would provide a continuous invitation to husbands and wives to gamble away the money needed for the support of the family."

4. "The entire history of legalized gambling in this country and abroad shows that it has brought nothing but poverty, crime and corruption, demoralization of moral and ethical standards, and ultimately a lower standard of living, and misery for all the people."

We of the Elizabeth Area Council of Churches say with former Governor Dewey we do not want more poverty, crime, corruption, demoralization of moral and ethical standards, and misery for the gamblers and all those involved with them. We plead therefore that the Judiciary Committee keep ACR 2 and ACR 4 in committee and never let them out. Thank you very much.

ASSEMBLYMAN KEITH: Thank you very much, Rev. Crowell. I have no questions. Assemblyman Doren.

ASSEMBLYMAN DOREN: I have no questions.

ASSEMBLYMAN KEITH: Assemblyman White.

ASSEMBLYMAN WHITE: I have none.

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ASSEMBLYMAN KEITH: Thank you very much for appearing
before us and giving us the benefit of your views.

As the next witness, I would like to call Rev.
Henry D. Frost of the Bound Brook Council of Churches.

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R E V. H E N R Y D. F R O S T: Mr. Chairman
and members of the Committee: My name is Henry D. Frost and
I am from the Bound Brook Area Council of Churches, simply
to register our opposition to both of these proposed resolutions.
And the gentleman before me just stole my thunder because he
quoted from ex-Governor Dewey and I had a whole page from the
Ex-Governor.

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ASSEMBLYMAN KEITH: If you would like, Reverend, to
hand that to us, we can give it to the reporter and make it
a part of your statement for the record.

REV. FROST: Yes.

ASSEMBLYMAN KEITH: Thank you.

[Following is that portion of Rev. Frost's statement
submitted to the Committee, but not read at the hearing.]

My first witness is ex-Governor Thomas E. Dewey of
New York State:

In a special message to the Legislature of New York
State, on January 16, 1950, opposing legislation to
legalize gambling that was sought by Mayor William
O'Dwyer of New York City, Governor Dewey said:

"Every proposal that I have seen for state-operated
legalized gambling of any kind involves licensing
by the state of betting rooms scattered conveniently
and in large numbers throughout the state. These
thousands of legal betting rooms would provide a
continuous invitation under the sponsorship of the
state to husbands and wives to gamble away the money
needed for the support of the family.

"I cannot understand how anyone could relish the
prospect of seeing husbands spend their time and the

family's money in state-operated betting rooms. The prospect is no prettier in its inducement to wives and mothers and even children. What this proposal would do to the fabric of our society is quite difficult fully to comprehend, but it is clearly all bad.

"The proposal is not new. Many other nations have had national lotteries and legalized gambling. I do not believe it is mere coincidence that most of these nations are in bad financial condition...

"These proposals are not new in the United States. In the early days in most sections of this country, gambling and lotteries were open, widespread and legal. Corruption and poverty flourished to such an extent that in state after state the people themselves revolted against gambling and established stringent constitutional provisions against it.

"In recent times, we have seen the rise of powerful underworld figures built upon organized gambling in states where it was legal or winked at as a matter of state or city policy. In each instance gang wars, murder, corruption and poverty have followed in the trail of such a policy.

"I also know that with proper leadership and honorable administration of criminal justice, those conditions need never exist. The entire history of legalized gambling in this country and abroad shows that it has brought nothing but poverty, crime and corruption, demoralization of moral and ethical standards, and ultimately a lower living standard and misery for all people."

REV. FROST: I have also here as another witness, Ernest E. Blanche, Ph.D., formerly chief statistician for the Logistics Division, General Staff, United States Army. He said: "The entire cycle of the ups and downs of the lottery have been traversed, and many people are ready for another ride. The worthy purposes which won support for the lotteries hundreds of years ago are being cited in this new American drive for legalized gambling. The present situation boils down to the use of the tenet that the end justifies the means.

"Morally and legally wrong and outlawed, lotteries do more than mulct the rich and poor alike; lotteries change the very pattern of living, distort the sense of values, and incubate the eggs of crime. Examine the sociological and economic implications of the lottery, and you will behold a Frankenstein monster capable of consuming both those who run the lotteries and those who play them.

"The American colonists followed their English contemporaries in setting up lotteries to raise funds for carrying on the necessary functions of the government... The gambling fever flamed high through the colonies. Most of the lotteries were run to finance roads, bridges, canals and schools. By the 1800's the lottery had achieved tremendous popularity, and during the single year of 1832 approximately 420 lotteries were drawn in eight states. The total sum paid for tickets in these lotteries was 66 million dollars - five times the expenses of the Federal government for that year," believe it or not.

"The combination of the financial drain on the economy, the use of spurious and fraudulent lotteries, and the increase of crime and poverty, brought about the establishment of many societies for the suppression of lotteries. In 1833 Pennsylvania and Massachusetts passed acts prohibiting lotteries and the sale of lottery tickets. New York followed in 1834, and by 1840 many states had joined the reform. The Southern states continued to tolerate lotteries on a small scale, but public indignation stamped them out, the last embers dying in Louisiana in 1890.

"Despite 'respectable' uses in the past, the lottery is 'a gambling device, seldom pure and rarely simple.' Of the best known example in the United States today, the Irish Sweepstakes, a great deal of fanfare follows announcement of the winners, but no one salutes the losers, of whom there are many millions. For such large lotteries, racketeers print counterfeit tickets by the thousands, with the result that most Irish sweepstakes tickets sold in the United States are fraudulent. Even in the legitimate sweepstakes in Ireland, only 20 per cent of the total money goes to the Irish hospitals, and 20 per cent to the few winners. The remaining 60 per cent goes to the operators and ticket sellers."

ASSEMBLYMAN KEITH: Thank you, Reverend; we appreciate your appearing before us and giving us the benefits of your thoughts.

I would like to call as the next witness Councilman Edgar N. Dinkelspiel, President of the 444 GOP Club.

E D G A R N. D I N K E L S P I E L: Chairman Keith, members of the Judiciary Committee, and I see Assemblyman Musto has left: I am appearing here not as a Councilman today, but as President of the 444 Republican Club of Long Branch.

First, I concur with Assemblyman Musto and I must also compliment the Assembly for at last permitting this bill to come before a public hearing. I feel that we should stop being hypocrites and if we really feel that illegal gambling is a sin, let this august body immediately enact legislation to lock up the bettors as well as the bookies.

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Why you wouldn't have enough jails in the United State to hold the bettors in New Jersey alone if this were done.

In answer to the cost of the state lottery, these tickets could be distributed by municipal clerks who in turn would be compensated when they sold winning tickets.

I can only cite the recent Grand Jury investigation in Long Branch which returned a presentment that gambling was widespread. And this picture is repeated time and time again all over the state in our newspapers. So if we really wish to do something about this, let the Legislature pass legislation to permit legalized lotteries and put on severe penalties for those who engage in illegal lottery operations. Gambling really is at the corner store and no farther away than the telephone if we read the daily papers.

Now I have here a prepared statement I would like to read.

I am appearing here today before this legislative committee concerning a public hearing on the question of a state-run raffle. The 444 Republican Club, Long Branch's oldest, by a vote of the membership asked me to represent them here.

It has become increasingly apparent that the cost of government in our state is reaching a point where the average homeowner can no longer carry the load. Education, institutions, and various other necessary state functions have got to keep pace with the population explosion that New Jersey is now experiencing.

We cannot much longer, like ostriches, hide our heads

in the sand. We must face hard, cold facts. Money is needed now to properly educate our children and to run the necessary governmental functions. The taxpayers, on the other hand, must have relief.

People will gamble, legally or illegally. This is human nature. For the legislature to continually close their eyes to this situation is not solving the state's problems. It is high time that our lawmakers look at the facts realistically and enact, without further delay, a referendum so that the rank and file of our citizenry will be in a position to decide. There are only one or two other alternatives - a broad-base tax, namely a sales or income tax, which would further add to the discomfort of our already-struggling taxpayers, or this proposed bill of Assemblyman Musto for a state lottery, which would furnish some relief. The suggested idea of borrowing more money and putting the people into further debt to pay our expenses is neither sound financially, nor a practical solution to our monetary problems. I call upon the Legislature at this time to act realistically and without any further delay so that the people of New Jersey can receive relief from their tax burdens without any further curtailment of services that are so necessary to the well-being of the people of New Jersey.

Another very important factor that must be given careful consideration is that with the legalization of a state raffle, better law enforcement can be attained since people will be encouraged to gamble along legal channels. This type of gambling, of course, will be of great benefit to the

state as a whole, since the money will not be siphoned off into illegal channels. In addition to this, the federal government will be in a position to also receive their proper share of winnings, and it will discourage income tax evasions.

I am sure that if the Legislature weighs all of the pros and cons of this controversial subject, in the end they will decide that for the best interests of the state a raffle is the only solution at this time. Thank you very much, gentlemen.

ASSEMBLYMAN KEITH: Thank you very much, Councilman Dinkelspiel.

ASSEMBLYMAN DOREN: I assume you recommend the lottery, but not the off-track betting.

MR. DINKELSPIEL: I recommend at this time the lottery to see how it works out and I think it is a little too much to do two of these things at the same time. It is too big a bite.

ASSEMBLYMAN DOREN: I say that because you mentioned that you only go to the corner store and ---

MR. DINKELSPIEL: Well, I did that to show you how widespread gambling is.

ASSEMBLYMAN DOREN: That would still remain then, wouldn't it?

MR. DINKELSPIEL: Well, I don't know. If you can encourage people perhaps to buy these lottery chances, they might want to do it legally and may not patronize the local bookmaker so much.

ASSEMBLYMAN KEITH: So that your suggestion to the Committee, if I understand you correctly, is that you are suggesting we release just the lottery bill, not the other. Is that correct?

MR. DINKELSPIEL: Well, this is what the Club suggests. I am representing them. The other was more or less my own remarks as a supplemental statement. But I feel that a lottery at this time is the answer.

ASSEMBLYMAN KEITH: And speaking for your Club, you suggested either the broad-base tax or a lottery. Is there a preference?

MR. DINKELSPIEL: Well, they prefer a sales tax, no income tax. They would rather have a lottery and no tax.

ASSEMBLYMAN KEITH: Well, I was going to just ask you that. Do they have a preference between sales tax and lottery?

MR. DINKELSPIEL: Oh, yes, they don't want any more taxes. They would rather have a lottery. That's correct.

ASSEMBLYMAN KEITH: Then to crystalize it so I can for the record understand the position of your organization - your first preference is a lottery.

MR. DINKELSPIEL: That's right.

ASSEMBLYMAN KEITH: Your second preference is a sales tax.

MR. DINKELSPIEL: If it is absolutely necessary. But we feel we should face up to the matter realistically and not borrow any more money without paying as you go. We believe in paying-as-you-go government.

ASSEMBLYMAN KEITH: Just a moment. I don't know whether Assemblyman White has any questions of you.

ASSEMBLYMAN WHITE: No, I don't.

ASSEMBLYMAN KEITH: Thank you so much for being with us and giving us the benefit of your thoughts.

Incidentally, I might just make this announcement. It is 25 minutes to one and I believe we will continue the hearing in the morning session until one o'clock. We will then recess for some short period of time and return right after a short lunch.

The next witness I would like to call would be Rev. John B. Kirby, Jr.

MEMBER OF AUDIENCE: He has left.

ASSEMBLYMAN KEITH: Will someone express our regrets.

MEMBER OF AUDIENCE: I have a statement he left for the Committee.

ASSEMBLYMAN KEITH: Fine. If you would be good enough to give it to us, we will incorporate it in the proceedings.

[Rev. Kirby's statement can be found on page 116 A of this transcript.]

In accordance with what just occurred, I might make this comment too. It is possible there may be others in the audience that have prepared statements they they would just as well submit in writing to us, to be incorporated in the proceedings, without necessarily testifying or speaking. If there are any such individuals that do want to make that presentation, we would be very happy to receive them now. You might then, of course, stay if you wish or leave if you wish.

REV. HANSEN: I have such a prepared statement, but I would make a comment if I may.

ASSEMBLYMAN KEITH: Just a comment on the statement without reading the statement?

REV. HANSEN: That is correct.

ASSEMBLYMAN KEITH: All right. May I have your name, please?

R E V. C H R I S T I A N M. H A N S E N: I am Rev. Christian M. Hansen.

ASSEMBLYMAN KEITH: You were next on the list.

REV. HANSEN: Oh, very good. Thank you, sir.

ASSEMBLYMAN KEITH: Will you identify yourself and give your organization and your address, please.

REV. HANSEN: And to you, sir, as the Chairman, and the members of your Committee, I am Rev. Christian M. Hansen, Pastor of the Trinity Lutheran Church of Trenton, the oldest Lutheran Church in the City, and President of the Council of Churches of Greater Trenton. I will submit this to save time because much of it is repetition of the church's position on the moral question.

[Following is that portion of Rev. Hansen's statement not read at the hearing, but submitted.]

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I am the Reverend Christian M. Hansen, President of the Council of Churches of Greater Trenton. Our council is created by 59 churches of 11 different denominations. We wish to express opposition to ACR-2 and ACR-4.

Over 200 delegates from our member churches unanimously

adopted the following resolution:

"We reaffirm our conviction that any extension of current gambling practices in New Jersey will seriously weaken the moral health of our state. We urge our Governor and Legislature to adopt major tax revision before they resort to such demoralizing schemes of financing our state government on the gambling level of citizen motivation."

We oppose lotteries and off-track betting as a source of tax revenue for the state. The forecasts of revenue are grossly exaggerated. We have only to recall the forecasts of revenue when the Legislature extended the racing season in 1962 for shore-disaster relief and the meagre returns to New Jersey in spite of the three hearings of May 24, July 12, and July 25, 1963 before the Special Senate Committee of this Legislature. Neither lotteries nor off-track betting will produce sufficient revenue to meet the additional needs of New Jersey for highways, education, or new institutions. The money needed by New Jersey can only be obtained from one of the broad based taxes.

Taxes on gambling are among the most regressive taxes known, taking needed funds from those least able to afford it. It is difficult for us to believe that the Legislature and Governor would turn to a form of taxation that would take the bulk of funds from the ignorant, the uneducated, and the poor who do not understand the mathematics of betting. Once again we would be allowing a high percentage of our taxpayers best able to pay, to escape their just share. Among those would be members of our churches.

We oppose lotteries and off-track betting because such gambling fosters increased crime and corruption, scandals

and gambling excesses that have adverse economic effects on family life. We now wish to document our claims that gambling breeds crime and corruption.

Lotteries were used extensively in the United States over a century ago. All sorts of abuses developed and the greatest wealth went to private operators who exploited these lotteries and the states and institutions got only the crumbs. Because of this corruption, lotteries disappeared.

Great Britain is now on a gambling spree and already a soccer scandal has rocked the country and may be a major disaster for the national sport. The National Union of Small Shopkeepers in England reports a rise in bad debts of 10 to 25 per cent since the Gambling Act became effective.

Massachusetts authorized beano (a form of bingo) in 1934. Racketeers moved in as promoters and took almost all the profits, leaving little or nothing for the sponsors of the drives. The legalization of beano was rescinded because of corruption.

In 1947 Idaho permitted slot machines on a local option basis. While lucrative to the city of Twin Falls, it was soon discovered that a syndicate was controlling machines; relief rolls increased; thefts grew. In 1949 all slot machines licenses were canceled. Other cities in Idaho had the same experience. A similar experience has occurred with slot machines in the State of Maryland.

Nevada is perhaps the best example of the relation of crimes to gambling. The FBI has released 1962 data on Uniform Crime Reports showing that Nevada with wide-open gambling is

by far the worst state for major crimes. The number of offenses in 1962 was 2,442.9 per 100,000 population which was more than double the U.S. average of 1,102.3 crimes per 100,000 population. The Nevada figure is more than double the New Jersey crime rate of 1,125.6 which in itself is above the national average.

Here at home, the testimony on New Jersey Assembly Bill 588 before the Senate Judiciary Committee on March 23, 1962 by Senator Cowgill of Camden, Commissioner Gilman of Cherry Hill Township, Deputy Director Glenn Seelhorst of Camden County Board of Freeholders and other civic and municipal leaders, including the Chamber of Commerce, is germane to ACR 2 and ACR 4. Just two short questions from the resolution of the Camden County Board of Freeholders as recorded in the hearing report noted above:

"Whereas, the extension of the racing season by 60 per cent at Garden State Race Track will have an unfavorable economic impact upon the residents of Camden County; and

"Whereas, the extension of said racing season will endanger the future economic growth of the County of Camden;" etc.

In fact, all of the March 23, 1962 hearing data should be considered by the Assembly Judiciary Committee; and, especially the resultant revenue disappointment of the State of New Jersey as recorded in the New Jersey Special Senate Committee hearings of May 24, July 12 and July 25, 1963.

We respectfully urge the Judiciary Committee to reject both ACR 2 and ACR 4 on the basis that they are a regressive form of taxation; that the extended racing season returns in 1962 to the State of New Jersey were a mere pittance; and

that the evidence is clear that lotteries and off-track betting increase crime and corruption.

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Now I would like to make a comment on my own as pastor of a church in the City of Camden for 22 years during the time when the race track opened in the Camden area. I can think of two instances in the life of my own congregation. I will only refer to these two.

One was a family where during the period when the race track was open and convenient that I definitely know they didn't have enough to eat because the bread winner lost his money at the track.

The other instance was a very good friend of mine. In fact, I went to the track once with him to see what it was all about. These were not evil people; they were not monsters. He had a position as a crossing watchman at the railroad. His salary was not high. He had a family of two children. His wife worked. But I know that this man went to the track when he should not have gone and bet beyond his limits and I know from personal experience in that area the effect that gambling has on the ordinary person when it is available to him and right at hand.

I make this statement for what it is worth to you, sir, and thank the Committee for its kindness.

ASSEMBLYMAN KEITH: Thank you, Reverend, for appearing before us.

Are there any others who just have statements?
And what is your name, please?

R E V. C U R T I S H O F F M A N: Curtis Hoffman,
the Pastor of the Calvary Baptist Church of Hopewell.

[Following is the statement filed by Rev. Hoffman.]

The following action was taken by the Deacon Board
of the Calvary Baptist Church, Hopewell, New Jersey, on
April 27, 1964.

We the Deacon Board representing the Calvary Baptist
Church, Hopewell, New Jersey, are against Off-Track Betting
and a State Lottery. We feel this is not an adequate way to
raise revenue for our state. We encourage our State Assembly
to face the fact that we need new taxes to finance roads,
schools, and other state institutions, but stand opposed
to Bill ACR 2 and ACR 4.

W. P. B U C K W A L T E R, J R.: I would
like to submit to the Committee a report on off-track
betting in England prepared for the Assembly of the State of
New York for your perusal.

[Report on Off-Track Betting in England submitted
to the Committee.]

ASSEMBLYMAN KEITH: May we have your name and
address, please.

MR. BUCKWALTER: W. P. Buckwalter, Jr., of Trenton,
Executive Secretary, Council of Churches.

ASSEMBLYMAN KEITH: Thank you so much.

Are there any others who just want to submit
statements? [No response.]

I would then like to call as the next witness Rev.
William B. Thielking.

R E V. W I L L I A M B. T H I E L K I N G:

I am Rev. William B. Thielking of the Asbury Methodist Church in Camden. I represent, I suppose, really myself and my own personal feeling. I would just like to say that I concur with the thoughts and feelings of those who have spoken before who were opposed to ACR 2 and 4 and make it a matter of public record. I am opposed to it because I believe it is morally wrong - gambling is morally wrong in itself - and that it presents social and economic harm to the people.

There is only one extra comment I would like to make and that is that it seems to me that there is a rather large amount of admission of knowledge of local bookmaking. I don't know whether this comes under your area or not, but evidently quite a few people know about this. It would seem to me that these who are anxious ^{to legalize} gambling, if they had known this to be the case for so long, should have been just as anxious while this was illegal and still is to do something about that. Thank you.

ASSEMBLYMAN KEITH: Thank you, Reverend. In comment, I just want to say that I believe that our law enforcement authorities in the state from the Attorney General to the county prosecutors and down to the municipalities are constantly and vigilantly doing everything they possibly can to deter and wipe out crime as it may exist. But your thought is a good one and it might be well for us to submit a copy of the proceedings of today to the Attorney General's Office for whatever aid it might be.

REV. THIELKING: I believe that they are doing their best, but it still seems to be rather widely known.

ASSEMBLYMAN KEITH: I think we will get a copy over to his office. Thank you.

The next witness is Rev. Byard J. Ebling. Will you identify yourself, please.

REV. BYARD J. EBLING: I am Rev. Byard J. Ebling, Pastor of Gloria Dei Lutheran Church in Chatham, and I also represent the Morris County Council of Churches, over a hundred churches of the major Protestant denominations of the United States.

I again echo the opposition that my predecessors have voiced to both pending measures. I find myself speaking, however, not so much out of concern for the church or its benefit, but for the people.

I think it has been established fairly well in testimony that legalizing of gambling has its price tag placed on the lower-income groups of people.

I think also that another result of this would be that these people who might not be able to afford gambling would have their indebtedness increased and I think it has been established that this can lead to varied forms of crime.

In my research I have discovered that one of the two major sources of embezzlement has been indebtedness, directly leading to gambling.

I feel too that in the long run should these bills ever get through a referendum and into practice, greater expenditures would be incurred by government and welfare

agencies to meet the needs of these people who by the very nature of the legislation have been abused.

Finally, as an individual, I am not convinced that legalizing gambling will control it.

The only thing I would ask for permission to do is to read three paragraphs from the Kefauver Committee Report on Organized Crime into the record. Would I have that permission, sir?

ASSEMBLYMAN KEITH: Surely.

REV. EBLING: I wish I could poll the apostles, but I can only turn to Kefauver.

He said in regards to gambling whether it should be legalized: "The history of previous experiments in legalization of gambling has shown that legalization results in an increase in gambling, particularly in increased participation by small wage earners, the people who are least able to bear the inevitable losses. The losses incurred by victims of gambling have driven them to embezzlement, robbery and other crimes committed by men desperately attempting to recoup gambling losses. they could not afford to sustain."

Concerning off-track betting, his Committee is on record as saying: "Those states which have legalized pari-mutuel betting have done so in an attempt to satisfy the gambling urge in a manner which can be more closely controlled and least likely to become accompanied by the familiar evils of gambling. While race track wagering undoubtedly results in individual personal tragedies as a result of undisciplined betting, the damage can be more or less limited to persons

who can better afford to incur financial losses. The operation of handbooks and other gambling establishments in places that are easily accessible to the working man and the nonhabitual bettor results in the spread of the evils of gambling to increasingly large segments of the population."

And his Committee concluded, and I quote again:

"In the opinion of this Committee there is no sense or logic in legalizing the greater evils of off-track betting simply because it has been the considered judgment of a number of states that pari-mutuel betting can be controlled and operated without undue detriment to society. There has not been presented to this Committee any plan for the extension of controlled gambling which carries with it a substantial chance of success. On the contrary, each plan for extending legal gambling appears to play in the hands of the gangster element."

I oppose both of the recommendations and I thank you for this opportunity.

ASSEMBLYMAN KEITH: Thank you very much, Rev. Ebling, for appearing and giving us the benefits of your thoughts. We are grateful.

I would like to call as our next witness one of our most distinguished Senators of the State of New Jersey and a member of the Tax Policy Commission, Senator Wayne Dumont, please.

S E N A T O R W A Y N E D U M O N T , J R . :
Mr. Chairman and members of the Assembly Judiciary Committee:
Thank you very much not only for giving me this opportunity

to make a few remarks on these two proposals, but also for your kind words.

In the last two weeks we have been endeavoring to get some idea of how the other six members, aside from myself, of the Tax Policy Commission feel about these two proposals which are embodied in Assembly Concurrent Resolutions Numbers 2 and 4, sponsored by an Assemblyman for whom I have a very warm regard as a friend and also because of the fine job he has done in the Legislature for 17 or 18 years because I believe he is the senior member of the Assembly, Billy Musto. So what I have to say today is not directed in any way at him as an individual because I think he is a fine legislator, but rather as a matter of bearing on the issue here.

I have only heard directly from two other members of the Tax Policy Commission, although several other members expressed their thoughts in the Tenth Report and I will be glad to mention that. But in order to get these two men on the record - and I think they would probably want their views to be known - I would like to relate what they had to say.

One letter is from Former Senator John E. Toolan of Middlesex County who was one of the most able men we ever had in the State Senate who served, I think, largely in the 1930's and 1940's. And his letter dated April 10th, addressed to me, indicates, and I quote from the letter:

"I am strongly opposed to any constitutional amendment to authorize off-track betting. It would take very little to persuade me to be in favor of a state lottery. I think

that off-track betting would be detrimental to the economy of this state. In my opinion it would be an inducement to many, many people to bet who could ill afford to do so. A lottery, on the other hand, is a one or two-shot deal per year. The price of a lottery ticket would be within the range of most of the people of the state and such a purchase would not tend to take bread and butter from the mouths of their children. On the other hand, the possibility of a substantial winning would lend hope to a lot of people and be beneficial to the lucky winners and provide substantial revenue for the state.

"Yours truly,
John E. Toolan"

That is the end of the quotation.

The other letter dated April 28th came from David Beck who is a recent appointee to the State Tax Policy Commission, a very noted lawyer in the City of Newark, and I quote from his letter:

"I have read the Tenth Report of the Commission in these connections, and have noted its conclusions. I, of course, have not had adequate opportunity to study the problems, either as a member of the Commission or as a private citizen. I do, however, have certain reactions.

"I am opposed, in principle, to off-track betting. I believe that the moral, social, and non-fiscal disadvantages of off-track betting far outweigh whatever revenue-raising potential may inhere in such means of producing it.

"Although I feel that a state lottery may be better controlled and enforced, this means of raising revenue is

subject to the same general criticisms as off-track betting. Such criticism, coupled with the finding of the Commission that state lotteries have not been satisfactory revenue-raising devices, should leave little question as to the propriety of the negative recommendation of the Commission in this connection. I concur."

That is the end of the quotation from his letter. I might say that he was not a member of the Commission at the time the Tenth Report was prepared. Therefore, he is indicating that he does concur with the recommendations contained in the report in respect to both these matters.

Now in the Report on pages 142 and 143 - and this Report, of course, was one which the Legislature of the State as a whole asked us to make following a study which all of you will recall, those of you who were here in the Legislature at the time, was contained in a Joint Resolution, actually a couple of them, but the last one passed in early 1962 asked that the State Tax Policy Commission review all of the major problems of the State, make findings as to those problems, and particularly recommendations as to how they could be financed; that is, the needs of the State. Likewise this Report preceded by the study, of course, was asked for by Governor Richard J. Hughes right after he took office in 1962 as Governor and has also been requested by his predecessor Former Governor Robert B. Meyner before he went out of office in January of 1962. And in this report on pages 142 and 143 the Commission dealt with the two problems that are contained in these resolutions. First, off-

track betting - I recall very clearly that the Mayor of Jersey City, the then Mayor of Jersey City - he isn't the Mayor of Jersey City at the present time - sent to each of the then members of the Tax Policy Commission a pamphlet that had been prepared by New Zealand having to do with off-track betting and the experience and the results of off-track betting in New Zealand. We mention that in our Tenth Report. We mention too that the net yield to the government of New Zealand in the fiscal year 1956-57 was slightly over 2,000,000 pounds, which according to the rate of exchange, I think, as we knew about it at the time we made our Report, was about \$5,000,000. And inasmuch as New Zealand then had a population of a little over 2,000,000 people, compared with over 6,000,000 people in New Jersey, we simply multiplied their take from off-track betting by three and figured that we might get an annual yield from off-track betting in New Jersey of approximately \$15,000,000, that it could very likely not be any more than that.

We had this to say about it: "Because of the many non-fiscal considerations involved, the Commission does not make a recommendation on this form of revenue. If the Governor and the Legislature determine that there are no social, law-enforcement, political or other reasons against legalized off-track betting, the Commission recommends that the matter be intensively studied before any concrete proposal is made."

Now with respect to a lottery which was pictured as yielding very substantial sums of money to our Commission, we

studied in this particular Report and in others prior to it the past history of lotteries in the United States and came to the conclusion that they had not been satisfactory revenue-raising devices, at least, in recent times, and that furthermore Federal laws prohibit the use of the mail for the purpose of a lottery, making the operation of such a plan very difficult.

So our conclusion then was this: "The Commission therefore does not recommend a State lottery as a source of revenue."

Now what I have to say from here on - and I might add that the people who are presently members of the Tax Policy Commission who at that time were on it and who concurred in these recommendations were Senator Toolan, who has apparently modified his viewpoint to some extent in regard to a lottery by virtue of the letter that I quoted from earlier; James Kerney, Publisher of the Trenton Evening Times, then a member and still one; Malcolm Davis, President of the Fidelity Union Trust Company in Newark, then a member and still one; and myself. The other three members at that time have since been replaced by others. Assemblyman Elmer Matthews, who did not concur in any part of this report, and therefore I am not trying in any way to reflect his thinking here today, is not any longer a member of the Commission and he has been replaced by Assemblyman Norman Tanzman from Middlesex County, primarily because Elmer Matthews is no longer in the Legislature. He at that time was the Assembly representative to the Commission. The other two

citizen members who concurred in these recommendations, because this was a unanimous report with the single exception of Mr. Matthews out of the seven members, were at that time: Archibald Alexander, who resigned later to take an important post with the Federal government; and David Yunich, who at that time was a member of the Commission and is not now and who was then the President of Bambergers Stores, now the President of R. H. Macy and Company. Mr. Alexander and Mr. Yunich were replaced respectively by appointment by Governor Hughes of Thomas Walker, a noted lawyer and former Speaker of the House of Assembly when he served it well from Middlesex County some years back, who is now on the Commission, and David Beck, who, as I mentioned, is a noted lawyer also in Newark and a tax expert and whose thoughts are set forth in the letter from which I read.

Now I just want to mention a few viewpoints of my own with respect to these two proposals and I think first before I make any comment I ought to identify the fact that I am not one of those who believes that all gambling is bad. In the first place, I am one of the co-sponsors of all the bingo and raffles legislation we have in New Jersey today. The former Senator from Assemblyman Doren's county who was a fine legislator, Bernard Vogel, and the Senator from Middlesex, Richard Stout, and I sponsored all the bingo and raffles legislation in 1953 and 1954. I remember how difficult a time we had at that time drafting particularly the raffles legislation because we had nothing to go by in

most of the states in the Nation. We finally decided to take the raffles that were being conducted illegally in New Jersey and make them legal because we didn't know exactly how else to proceed, providing, of course, that the proceeds from these games of chance were to be limited to fraternal, educational, charitable, religious, civic groups and veterans' groups as well. And on that basis we have the laws of today which have been amended slightly over the past, and the games have been operated through the Legalized Games of Chance Control Commission which we set up under this legislation.

In addition to that, I see no harm, for example, in our legalizing night harness racing in New Jersey. I think we are missing a bet in the sense that we could derive several millions of dollars from it annually that now go to New York State and other places where night harness racing is legal. I realize this would take a constitutional amendment. But I have never been able to distinguish the difference between betting in the daytime and betting at night. We have had legalized betting at our three flat tracks and at the one harness track in Freehold for many years and from that the State derives revenue of approximately \$30,000,000 per year - not just from harness racing - that brings in a relatively small amount - but from the tracks generally that is the amount of revenue we are now getting.

But with these two proposals made in these two resolutions, I must respectfully but firmly disagree. There are several reasons. One is that when we were considering

legislation to enlarge the racing season by 30 days in a special racing season in 1962 and 24 of those days were ultimately assigned to Garden State and 6 to Monmouth, there was a public hearing held on that bill and the purpose, of course, of additional racing season was to make possible revenues to be raised out of those extra 30 days which would help the State to in turn help the seashore counties to be rehabilitated from the great storm of early March, 1962, which had done so much damage along the shore. And when we were considering that legislation, I recall that at a public hearing we must have had at least 100 witnesses come in from Camden County because they knew there that the bulk of the additional racing days would be assigned to Garden State, and to the last one, as I recall it, every single one of those witnesses who testified opposed that increase in the racing season. They were people who operated restaurants. They were bartenders. There were members of the clergy. There were housewives. There were merchants. And each of them said in turn that when the racing season is on, people don't pay their bills. Many of the people, wage earners, who get their paychecks, go right to the track, bet all their paycheck and their families wind up on relief at the cost to the taxpayers as a whole. I am inclined to think the same result would accrue from either off-track betting or a statewide lottery no matter how you tried to control it in the state.

Secondly, in the states that have tried widespread gambling or, at least, have legalized recently a lottery - and

the only one I know of is New Hampshire - have not been able to avoid broadening their tax base, for example, by that. New Hampshire has had since 1923, a period of 41 years, an individual personal income tax. So obviously they did not avoid broad-base taxation by the adoption of a statewide lottery. They are simply trying to add to their present revenues, already represented by one broad-base tax in that state, from a statewide lottery. Nevada which is a state which legalizes almost all kinds of gambling has had a general, not a selective sales tax, which is the kind I favor, but a general sales tax since 1955. So obviously the kinds of gambling they have legalized out there haven't done the job in paying the bills for their state government.

Now, in addition to that, New Jersey is not anything like New Hampshire. No one is going to know how much money is produced out of the New Hampshire lottery until there has been some experience under it, granted. But our state is not to be considered in any way as anything like New Hampshire. That is a sparsely populated state with a lot of land area and with no sizable metropolitan areas anywhere around it, with the single exception of Boston on the south. We, on the other hand, have the highest population density per square mile of all of the 50 states, about six and one-half million people in a relatively small state geographically and with a steady population increase. And we have on either side of us - on one side, on the east, the largest city in the United States, New York City; and on the southwest, one of the other largest cities in the United States, Philadelphia.

Back in 1953 I recall spending 60 solid days in

that one legislative year on just one thing, namely, an investigating commission which was checking one of our good counties in New Jersey - and they are all good counties - where there had been a breakdown of law enforcement and where gamblers and racketeers had appeared in much larger numbers than any county would want them. And, frankly, no county wants any of them. But they had gone in there and we spent 60 days in that one legislative year alone in this investigation because there had been a breakdown in law enforcement.

What I would fear from either one of these two kinds of operations is that it would be almost impossible, certainly extremely difficult, to keep them as clean operations and thus to keep out the easy-money fellows, the individuals who try to make a living without working, and there are many of those and they know all the angles. And I am sure that they would try to come into either of these operations and bleed them white. Thus we would be faced with a tremendous law enforcement problem from which we would have to take a very large percentage of any revenue that would be derived to expand our law enforcement agencies and personnel at all levels of government - municipal, county and state - in an effort to try to keep the operation clean. And I think that would be particularly true in a state with such a large population, knowing that our people are fine people in New Jersey, but after all, everyone has some gambling instinct. Thus I don't think that it could be possibly done in this state with the heavy metropolitan areas

all around us and some of the ones we have in our state as well without this law enforcement problem being a monumental one.

So, finally, all I would like to say is that I concur still in the report as we gave it in 1963 on January 10th and I say it as one who has been involved in four reports of the State Tax Policy Commission because my membership on it goes back to early 1954 and I now serve as the chairman of it since last February, and with the single exception of some change perhaps in viewpoint on just one of these two proposals and not the other one by Senator Toolan as reflected in his letter, there seems to be still, at least as far as we have been able to get the reaction of our members, the same feeling expressed in this Tenth Report pertains today.

There is no easy way or painless way to extract money from people. If they want services, necessary services in education, in transportational facilities, in institutional care, in training and rehabilitation for the unfortunate and handicapped people who are the responsibility of all of us and for long-range water supply, just to mention four major problems that are always with us and always will be, then obviously they are going to have to expect to pay taxes for them. This is represented as an easy and painless way to raise money. I don't think it possibly could be because there isn't any.

Thus my own feeling is that on a subject of this kind, we should not make haste at all, but we should only

make decisions based upon a lot of study of viewpoints both for and against and we should recognize the dangers involved here as well as any possible assets or good points that can be mentioned in respect to either one or both of these proposals.

Might I say again that when we are talking in terms of needs that mean a minimum of \$150 million annually in additional revenue to the State of New Jersey, it is our feeling in the Tax Policy Commission that both of these proposals combined could not possibly produce anything closely resembling that kind of money. So we might wind up with serious problems and dangerous results without in any way realizing the type of revenue that many of us think - I know I do - is necessary in order to meet the needs as they exist in New Jersey today.

That is all I have to say on it, Mr. Chairman and members of the Committee, and I appreciate the opportunity to appear before you.

ASSEMBLYMAN KEITH: Thank you very much, Senator. There may be a question or two. Will you just wait a minute. Are there any questions? [No response.] There are no questions. We are very grateful that you took of your time to come down and give us the benefit of your views which will certainly be helpful.

SENATOR DUMONT: Thank you very much.

ASSEMBLYMAN KEITH: Thank you, Senator.

I see it is ten after one approximately and I think we have sufficiently more witnesses that we had better not

go right through the lunch hour. But I would like to impose on you fine people that are yet to be heard by just taking a one-half hour break and be back in a half hour, if you will, please.

The hearing will stand adjourned for a half hour.

[Recess for Lunch]

ASSEMBLYMAN KEITH: I would like to call the session back into order and I would like to apologize for being about five or so minutes late. I had to make a telephone call and the line was busy. I appreciate your patience in waiting. I see by the audience that there may still be some latecomers who haven't had an opportunity to finish their lunch so I will call some names and if they are not present I will call their names again.

Colonel Marshall Barr, will you step forward as the next witness, please.

C O L. M A R S H A L L B A R R: I am Marshall Barr from Elberon, New Jersey.

I will make this rather brief. First, I do not consider myself an accomplished speaker; second, I may not have too much to say; and, third, I am gambling on that parking meter outside there, right now.

I spent my last three years in Germany and I had a good opportunity to observe the German lottery which is run on a weekly basis. The charge was 1 mark and 10 pfennigs or, roughly, 27 1/2¢, for each chance. It was nothing that would kill anybody but if you hit it, you hit it for \$125,000 and the German Government did not tax that \$125,000 - do with it what you please for one year. After that, they taxed the revenue.

It has been brought out that there is widespread gambling in New Jersey. One speaker, I don't recall his name, suggested if that were true that some of the evidence that people have be submitted to the authorities. To know is one thing, to prove is another. In many, many cases you

are satisfied that there is illegal gambling going on but to get proof is extremely difficult.

I think the main issue before this Committee, to be decided, is not whether gambling is moral or whether it's immoral because that has already been decided. A number of speakers have pointed out, one in particular, that - I believe he said, if you could have something less bad, or words to that effect, he would be for it rather than something of a grosser nature.

The real issue is to let these people who, after all, are the ones who are paying all the expenses in this State, have an opportunity to have their free say on whether they want a lottery or not.

I am particularly interested in a lottery. I have no objection to the off-track betting. I am not enough of a race track fan to visualize what the consequences of that would be.

A number of speakers have brought out that the wrong people would be the ones who would be making the bets. I have a letter, which I will quote in part, from Assemblyman Beadleston in which he said, "I would favor this but apparently the press and the clergy are strongly enough opposed at this point to not have it pass the Legislature."

My answer to that is, if it is legal and moral or possibly moral to have church raffles, raffles for fire companies and what-have-you, it is no more improper to have the lottery.

Also I have a letter from our Chairman, Irving

Keith, in which he expressed the fear that usually the person who can least afford it spends his money on such purposes.

If our Chairman will recall, in my reply I pointed out to him by asking a question - Who the heck do you think is buying all the policy tickets now. There was approximately two and a half million dollars found up in the garage, upstate, which is generally conceded came from the gamblers, from the policy racket and the buyers of small slips.

I am in favor of bringing this thing out into the open. First, give the people an opportunity to express their desires and then abide by their wishes. If their desires are to permit a lottery, I am in favor of establishing a lottery under rigid state control. The details you would have to work out in the enabling legislation but it could be worked out very simply. On a sweepstake - if I may use that term which some object to - type of lottery it could be like they have in Germany, a weekly lottery which pays off \$125,000 to the winner, or it could be something in between.

In Germany certain dealers are licensed to sell these tickets. That could be done here.

One speaker mentioned a legalized lottery would bring out corruption. I must be the first to admit that there would be a tendency, but I would like to point out that it is generally conceded that our racketeers, our gamblers are currently corrupting a lot of our public officials to various degrees, not only from the Policeman on the beat level but to a considerably higher degree.

It has been brought out that people would be hurt by it. Two or three of our distinguished clergymen have brought that out. What these gentlemen did not bring out is how many people are being hurt by these current illegal gambles. We have no way of knowing.

Again I say, that's another reason for bringing it under control and getting it out where even though it may not be considered good, let's get it under control.

Therefore, I urge this Committee to favorably report not only No. 2 but also No. 4.

Thank you for your indulgence.

ASSEMBLYMAN KEITH: Colonel Barr, thank you so much for your comments.

Do you represent any group? I didn't hear you mention that.

COL. BARR: No, I do not.

ASSEMBLYMAN KEITH: You are just speaking for yourself.

COL. BARR: That is correct.

ASSEMBLYMAN KEITH: Colonel, I appreciated your referring to my letter. You only referred to part of it and I don't recall the balance of it. The part that you referred to was that I feared that those least able to afford it might be those who would be paying for it. And you just made a comment that in reply to me you said, well, who is buying the policy tickets now.

I would like to ask you what you mean by "policy tickets."

COL. BARR: Numbers racket. I don't mean lottery tickets although there are a lot of lottery tickets being sold in this State. And I am not ashamed to state on the record that I have one in New Hampshire, I got it going up there to visit friends.

ASSEMBLYMAN KEITH: Yes. But you say that there are a lot of lottery tickets being sold in this State?

COL. BARR: I think it is generally conceded, Mr. Chairman, that there are a large number of Irish Sweepstake tickets being sold in the State right now. In fact, I know personally some winners on it.

ASSEMBLYMAN KEITH: Possibly you didn't understand me completely. I was merely trying to find out if you had any personal knowledge of the sale of lottery tickets?

COL. BARR: I have knowledge but not proof.

ASSEMBLYMAN KEITH: I wonder if you have any personal knowledge of the selling of numbers or the engaging in the purchase of the numbers racket, any personal knowledge.

COL. BARR: Again I would have to answer that by saying I have knowledge but no proof.

ASSEMBLYMAN KEITH: And you also made a statement that gamblers are now corrupting public officials. Do you have any personal knowledge or information along those lines that might be helpful either to this Committee or to our Law Enforcement Agency?

COL. BARR: Nothing but what has already been reported in the newspapers.

ASSEMBLYMAN KEITH: Thank you, Colonel, very much for appearing here. We appreciate it.

COL. BARR: Thanks for your indulgence. Would you like to look at these letters?

ASSEMBLYMAN KEITH: Yes, I would be very happy to.

COL. BARR: I would like them back, if I may.

ASSEMBLYMAN KEITH: Certainly. Will you wait just a moment or two.

I would like to for the purpose of the record, lest there be any thought that there was anything in the letter that I wrote to Colonel Barr that might not have been stated that should have been stated, to read the entire letter, if I may, Colonel Barr:

COL. BARR: Surely.

ASSEMBLYMAN KEITH: It's a letter dated February 26, 1963 and it is in response to a letter that must have been written to me by Colonel Barr where Colonel Barr asked my solicitation for certain legislation, such as dealing with veterans and elderly citizens, the state lottery, broad base tax, etc. And my reply in its entirety is:

"Deal Colonel Barr: Thanks so much for writing to me and forwarding me your thoughts concerning proposed legislation.

"I have introduced in the Assembly bills to provide for fixed deductions for veterans and elderly citizens as I feel this would be a more equitable solution to the existing problem.

"I do not personally favor a state lottery as

I feel, amongst other things, that it is usually the person who can least afford it who spends his money for such purposes. I do feel that some new tax solution is necessary to meet the increased costs of government but I also firmly feel that a hard look should be taken into the question of efficiency and economy in government. If a broad base tax is the answer, then I would favor a modified sales tax for this purpose."

"I appreciate your having taken of your time to have written and I look forward to hearing from you from time to time relative to any matters that may be of interest to you.

"With warmest personal regards, I am, Sincerely yours, Irving E. Keith."

And the reason I read it into the record, Colonel Barr, is because I always dislike or it is distasteful to me where there is something taken out of context that might be misconstrued so --

COL. BARR: That was not my intention.

ASSEMBLYMAN KEITH: Oh, I am very well aware that it was not your intention, but just so it will be no one else's intention this matter of having the entire letter read will clear anyone's thoughts in any area of that kind.

COL. BARR: Will you read into the record my reply to you?

ASSEMBLYMAN KEITH: Colonel Barr has asked that I read his reply to the letter I just read and I will be happy to do so. It says:

"Dear Mr. Keith:" - this is dated March 24, 1963 - "Thanks for your courteous reply to which I agree in general but must take exception in part.

"It is almost axiomatic that one of the firsts is to eliminate waste and unnecessary frills. However, being a bit realistic, I know that costs are bound to rise due to many factors including constant demands by unions.

"In regard to your fear that the people who can least afford to gamble will be the ones that participate in a state lottery, I agree that they would be but, who do you think is buying the low price tickets now at the races and all the policy slips and the numbers racket. It is high time that we recognize the facts of life. Gambling has been with us since the beginning of time and will be till the end. The State encourages it by extending the racing season. It made a desperate grab at the \$2,500,000 found in vacant garages recently. Now, where did that money come from? From the succors who participate in uncontrolled, illegal gambling going on right here under our officials' noses. All I am suggesting is that we legalize it, control it, give the succors a decent break and put the profits in the State Treasury instead of the racketeer's pocket. Such a lottery could be run in an open, fair manner with a nice profit for the State and at the same time help law enforcement officers by putting a major crimp in the numbers racket.

"I urge you and your colleagues to carefully consider this matter from a realistic standpoint to make

the small gambler not respectful but honest, giving him a decent break and the State a good revenue. Sincerely, Marshall D. Barr."

Thank you very much, Colonel.

I would like to call as the next witness, please, Rev. D. Allan Easton.

R E V. D. A L L A N E A S T O N: I am the Rev. D. Allan Easton and I represent the Christian Social Relations Department of the Episcopal Diocese of Newark.

Mr. Chairman and members of the Judiciary Committee: We wish to place on record our opposition to the proposed amendments to the State Constitution of New Jersey, as contained in ACR 2 and ACR 4.

The reason for our opposition is best expressed in the words of one who presents us with a very different picture of the situation than that painted by the supporters of these resolutions, who today have given us little more than their own personal opinions and somewhat sweeping assertions which have not been backed by facts.

The words I will quote are the words of one who speaks with considerably greater authority and more intimate personal knowledge of the facts. I refer to the late Senator Estes Kefauver, Chairman of the Senate Crime Investigation Committee. Some thirteen years ago, in Chapter 16 of his book "Crime in America," the chapter being headed "Nevada: A case against Legalized Gambling," the late Senator Kefauver wrote as follows - and I make no apology for quoting at some length - I shall omit those passages from Senator

Kefauver which we have already heard but there are still plenty left to provide us with food for thought, and I quote:

"The Senate Crime Investigating Committee went to Nevada, the only state in the Union which presently legalizes gambling on an all-out scaleAfter hearings in Las Vegas our conclusion was: 'As a case history of legalized gambling, Nevada speaks eloquently in the negative.'

"The Committee found itself completely in accord with numerous competent studies which have been made from time to time, indicating that, both morally and financially, legalized gambling in Nevada is a failure. The amount the state receives is only a pitiful fraction of the millions of dollars that the gamblers themselves drain from the pockets of the public. As our report noted, the state of Nevada has found it necessary to increase police surveillance substantially (an expensive proposition) as a result of the legalization of gambling and 'the accompanying influx of hoodlums, racketeers, and the other inevitable parasites who spring up like weeds wherever gambling operations are carried on.'

"In our report to the Senate we commented: 'In states where gambling is illegal, this alliance of gamblers, gangsters and government will yield to the spotlight of publicity and the pressure of public opinion, but where gambling receives a cloak of respectability through legalization, there is no weapon which can be used to keep the gamblers and their money out of politics.'"

And still quoting from Senator Kefauver:

"On the general subject of legalizing gambling as a nation-wide proposition, the committee rejected the premises advanced 'by many well-meaning and conscientious individuals' that such a measure would remove the crooks from the field and remove temptations from corrupt public officials who play along with the gamblers. To the contrary, we felt it was not the illegality but the huge profits that made gambling attractive to gangsters and hoodlums. No plan for legalized gambling that was proposed to us seemed to carry any guarantee of success. On the contrary, we noted, 'much of the propaganda for legalized gambling can be traced to organized and professional gamblers... Every plan that was suggested, when subjected to impartial analysis, seemed to play right into the hands of the (gangsters) large and small.....!'"

And summing up his own personal feelings after his investigation, Senator Kefauver writes- and I quote again:

"....my personal opposition to legalized gambling has become firm.....America will be in a bad way if we ever have to resort to taxing crime and immorality for the purpose of raising revenue to operate our institutions. The fascination of gambling to many people is so strong that, in my opinion, it would be complete folly to make the facilities more available than they presently are."

I will omit another passage from Senator Kefauver that you have already heard.

To these words, we would add those of the present Attorney General, Robert F. Kennedy, written little more than

two years ago:

"No one knows exactly how much money is involved in gambling in the United States. What we do know is that the American people are spending more on gambling than on medical care or education; that in so doing they are putting up the money for the corruption of public officials and the vicious activities of the dope pedlars, loan sharks, bootleggers, white slave traders, and slick confidence men."

"The dishonesty of the gambling operations, the degradation of the narcotics and white slave traffic are bad enough, but what really concerns me is the great wealth of the racketeers and the power that goes with it - the power to corrupt police and public officials, and in some instances gain political control of an area."

"Investigation this past year by the FBI, Internal Revenue Service, the Narcotics Bureau, the Post Office Department, and all other federal investigative units has disclosed without any shadow of a doubt that corruption and racketeering, financed largely by gambling, are weakening the vitality and strength of this nation."

At this point I would like ^{to} add a quotation that came into my hands yesterday after this written report was prepared. It's probably unnecessary in New Jersey but I bend over backward to clear the Episcopal Church of any accusation of being unduly biased in favor of the Democratic Party and I quote from ex-Governor Thomas E. Dewey. I just want to read two quotations, one, when he said he was "unalterably opposed" to the legalizing of off-track

betting in New York State; and then again when he said, "I regard this as such a shocking, immoral and indecent proposal that I consider it my duty to lay my views before you immediately before the matter is considered." This is his letter to the New York Legislature. The rest of Governor Dewey's remarks I would like to just pass over since they have been heard.

So far as the money-raising potentialities of lotteries are concerned, we would draw attention to the fact that in some of the highly publicized sweepstakes it is estimated that only 17 1/2% of the proceeds actually goes to hospitals or other institutions that let themselves be used as the "front." The greatest share of the profit goes to the promoters and ticket agents.

As we have heard already, the main beneficiaries of the Irish Sweepstakes, according to the Christian Science Monitor, are not the Irish hospitals but two Irishmen who are now among the wealthiest men in Europe.

As for the suggestion that lotteries would reduce taxes, we believe it to be untenable. Advocates of a national lottery estimate that it would raise \$10 billion a year. If the Government used 25% of the proceeds for expenses - and we understand this might well be the case - to accumulate a profit of \$10 billion, after paying prizes, it would have to raise over \$13 billion a year from players. This means that, if half the adults in the country played, it would cost them \$266 per head per year - and much of that money would be coming out of the pockets of those

least able to afford it.

In general, the evidence here and abroad strongly indicates that legalized gambling and state-run lotteries do not really lighten the tax load but simply shifts more of it to moderate-income families.

For these reasons, we of the Christian Social Relations Department of the Episcopal Diocese of Newark consider the proposed amendments to be an insult to the good sense of the people of New Jersey. It is our firm conviction that our fellow-citizens are prepared and anxious that the revenues required by the state for the institutions, education and roads should be raised in other more effective, less irresponsible and more honorable ways.

I think I might put it shortly and say, sir, that we feel that if New Jersey feels or thinks it is necessary to raise funds for the increased costs of operating the State, most especially for meeting the needs of its young and its old and of its sick and its needy by organizing lotteries, then it is more than time that every citizen of the State hung his or her head in shame. Sack cloth and ashes might be more scriptural but less practicable.

Accordingly, we are happy to have this opportunity of recording our dissent and of detailing the reasons for it.

In the words of the Bishops of the World-Wide Anglican Communion, I quote from their statement at Lambeth in England some years ago: "Without entering into the vexed question of the ethics of gambling, the committee says quite frankly that the habit of gambling has become so excessive

and widespread in many places that the church must speak clearly against it."

Or, to use the words of George Washington - and the supporters of this Resolution must agree that he was in a good position to know - we believe that gambling is, and again I quote, "the child of avarice, the brother of iniquity, and the father of mischief."

Thank you.

ASSEMBLYMAN KEITH: Thank you very much, Reverend.

Are there any questions? (No questions)

Your statement was very inclusive and we appreciate your coming.

As the next witness I would like to call Reverend Walter A. Quigg.

R E V. W A L T E R A. Q U I G G: Mr. Chairman and members of the Committee, I am Rev. Walter A. Quigg, Pastor of the Elmer Methodist Church in Elmer, New Jersey.

I have here a resolution adopted by our official board opposing the two measures that are before us that I will give to you:

"We, the official board of the Elmer Methodist Church, Elmer, New Jersey, do hereby go on record as opposing the legalization of lotteries and off-track betting in the State of New Jersey. We do earnestly urge the members of the State Legislature to defeat any and all efforts of legislation that would legalize the same."

I come also as Chairman of the Committee on Temperance and General Welfare of the Board of Christian Social Concerns of the New Jersey Conference of Methodist Church. The New Jersey Conference comprises that portion of New Jersey south of the Raritan River and has a membership of some 108,000.

I would like to go on record as opposing ACR 2 and ACR 4.

A little background as to our Methodist stand and why we as Methodists would oppose this, I would like to just briefly quote two portions of our Discipline. The 1960 Discipline, paragraph 2022.2 states:

"The passion to acquire wealth without honest labor enflamed by widely publicized give-away programs and the growing movement to legalize gambling in state after state is a serious concern for Christians. The process of gambling undermines basic moral law as well as established economic laws. Gambling is a menace to business integrity, breeds crime and is destructive for the interests of good government."

The Discipline goes on to say, paragraph 2020, "We seek to aid the individual, the home and society to overcome the social, economic and moral wastes which accompany gambling in any form."

There has been a careful study by the Division of Temperance and General Welfare of our Board of Christian Social Concerns, so far as the total Methodist is concerned, and among other things they indicate the following in regard to gambling which would be apropos to the matter that

is before us:

Our increased tax revenues are offset by increased costs in administration, in crime control and in welfare assistance.

2. Organized crime gets in on legal as well as illegal gambling because the profits are high.

3. Gambling provides an unhealthy outlet for persons with psychological problems - about 5 million compulsive gamblers in America and I might add that many of these are within our State.

4. Gambling encourages a distortion of human and economic values to the elevation of false hopes in getting a lot for a little, the dependence upon chance rather than God and the hope of letting someone else pay our tax bills.

Gambling, I think we can well realize, harms legitimate business by draining off great sums of money which would have been used to buy useful goods and services. The recession that our country experienced in 1960 could have been easily overcome and the rate of national economic growth could have been ahead of Russia's if we had used the estimated \$47 billion gambling money on legitimate business and industry.

The waste of gambling is tragic, especially when the free world needs now all the moral, social and economic strength it possesses.

Gambling certainly causes evil and corruption in society. It was said by one of the proponents that if a few people would get hurt he would be opposed. I believe

the records of other states will prove that a number of families will be hurt by legalizing any more gambling than is now legalized in our State.

I would like to quote for the record former Governor LeRoy Collins of Florida, telling of his State's experience with legalized gambling he writes: "The people of Florida got a dose of moral poison they will not soon forget. Gamblers and unsavory underworld characters infiltrated this State from all over the country. Crime rates jumped. Delinquency increased. Disrespect for law spread over our State in a wave. One could almost feel the moral strength of the State ebbing away. Gambling, legal or illegal, spreads a kind of poison through a community. It is insidious. It kills more business than it generates. It encourages public corruption and undermines the faith of citizens in their officials. Worst of all, it saps moral strength and character. I have heard all the arguments in favor of licensed, legalized, supervised gambling. To me they are a sham and a delusion."

Some of the proponents of this bill said that they would bring into our State a lot of outsiders, a lot of outsiders that pass through the corridor state, and I agree with this but my feeling is, however, that a good portion of those who travel the corridor states go right through the State by way of our turnpike. Unless the lottery tickets would be sold on the turnpike, I doubt very seriously if many of these would bother to buy them.

Also one of the matters often brought up is that

people should have what they want. You gentlemen have the responsibility to control what people should have in many respects. You are our elected representatives. I am a parent, as you possibly are, and we know that our children oftentimes want candy and we know that they shouldn't always have it. Well, here within our state we do have some forms of legalized gambling - some of this candy - but we have all that our children need and you, as our parents, should withhold altogether any more.

I strongly urge you to keep ACR 2 and 4 in Committee.

Thank you.

ASSEMBLYMAN KEITH: Thank you very much, Reverend.

There is a question by Assemblyman Doren.

ASSEMBLYMAN DOREN: What objection do you personally have against putting this on referendum?

REV. QUIGG: My feeling is strongly that expressed by Rev. Jeanes, along that same line.

ASSEMBLYMAN DOREN: The fact that others would be involved with money and --

REV. QUIGG: Yes, the involvement, and I feel that it is best regulated as you gentlemen --

ASSEMBLYMAN DOREN: I know you are against both of these, you have already stated that, but assume that there would be one that would be released which would you favor, if one were to be released.

REV. QUIGG: If one were to be released?

ASSEMBLYMAN DOREN: Right. Which would you say

would be the lesser of two evils?

REV. QUIGG: The lesser of two evils, to me, would be lotteries.

ASSEMBLYMAN DOREN: Thank you.

ASSEMBLYMAN KEITH: Thank you very much, Reverend. We appreciate your appearing.

REV. QUIGG: But definitely I am opposed to both.

ASSEMBLYMAN DOREN: I stated that.

ASSEMBLYMAN KEITH: We'll underline that.

I received a letter from Thomas E. Brown, representing the Committee on Church and Society of New Brunswick, who asked that we put his name down as he wanted to appear and I don't know if he is here. Oh, he is here.

Then I will call as the next witness Mr. Thomas E. Brown, please.

T H O M A S E. B R O W N: Mr. Chairman, distinguished Assemblymen, ladies and gentlemen: I am the Reverend Thomas E. Brown, a tax-paying homeowner of Trenton. My address is 202 Whittlesey Rd., Trenton.

I am here today to represent the Presbytery of New Brunswick, United Presbyterian Church, U.S.A. The Presbytery is the representative governing body of 43 congregations located in central New Jersey.

At this point I would like to leave my printed statement and make a few side remarks in the light of some earlier statements that have been made.

The question was asked of Mr. Jeanes as to

whether or not the Church is supported themselves by raffles and bingo. He said that so far as he knew there were no members of the Council of Churches that did this. I can state without equivocation that there are no Presbyterian Churches in the State that support themselves by raffles, bingo or any form of gambling whatsoever.

I must also say that as a religious leader I have been somewhat shocked at some of the statements made earlier here today and I am, frankly, glad that the school children who have been touring the building were not here at the time.

I have heard elected representatives enunciate principles which, if followed, would do away with every law against everything now described as illegal - if the people want to do it, they should have the right to do it. They have the moral right, these men have implied, to be immoral if enough of them wish to do so.

I say that as a religious leader I have been shocked and also disappointed. I am grateful, however, that several of the Committeemen have questioned these statements severely. I am also grateful that you have said that the Attorney General's office will read the transcript of this hearing.

The Presbytery, as have also our state and national bodies, has on numerous occasions urged the Legislature to discontinue the consideration of gambling revenue as a way of financing our state government. I wish today to register our opposition to Assembly Concurrent

Resolution No. 2, which would provide for off-track betting in the pari-mutuel machines of the New Jersey Race Tracks, and to Assembly Concurrent Resolution No. 4, which proposes an "amendment to the State Constitution to allow the establishment of a State lottery," both such resolutions having been introduced January 20, 1964, by Assemblyman Musto.

It is alleged that the time is now present for the people to decide these issues at the polls. We feel this is a false allegation in that the Legislature itself has yet to make sufficient study of the facts related to these two items and, therefore, cannot justifiably suppose that the public has sufficient knowledge to vote wisely on them. Such an issue as this needs judgment, not simply opinion. I think Speaker Joseph Carlino of the New York State Assembly speaks wisely to us when he says in a speech on a similar question in New York:

"I happen to agree with Edmund Burke's observation that an elected representative betrays his constituents when, on an issue of legislative concern, he sacrifices his judgment for their opinion. I deplore the concept of the legislator as a human computer, one hand constantly in the air, sensing the winds of public opinion, and the other, his voting hand, rising only in response to what the popular whims of the moment happen to dictate."

It is alleged that since the revenues to be derived from a lottery and off-track gambling would be used for education, welfare and highway purposes, therefore the gambling is good. This is the old argument that the end justifies the means. And despite the fact that the earlier speakers said that these were not their major arguments, and

Mr. Musto's statement in favor of No. 4, it is the first point that he makes; and in his statement in favor of No. 2, it is the fourth point that he makes; so he must give great credence to this argument.

Students of Scripture know that never can one, according to biblical ethics, disregard the means simply because the end is good. Students of political philosophy know that never has such a belief been part of democratic philosophy. It is, on the other hand, a basic belief of the political philosophy which we in America oppose most vehemently today. We deplore the use of it in this matter - and in all matters of our government.

It is alleged that the people of New Jersey will not support new broad-based taxes to provide needed revenues. We dare you to try us. All that has been offered so far are panaceas, stop-gaps, half-way measures. How little faith does its legislature have in a prosperous and proud people?

Furthermore, if the expenditures are legitimate, why should not every New Jerseyman have the responsibility and the privilege of participating? Will you force those of us who wish to support new schools, new highways and better institutions to buy a lottery ticket in order to do so? Or is there to be yet a day of courage in the halls of the Capitol Building - a call to sacrifice, to duty? We urge you to ask the people for taxes for legitimate needs. Don't offer them panaceas.

It is alleged that off-track betting and lotteries are economically feasible ways of gaining State revenue. There

is nothing in the economic statistics to support such an allegation.

Mr. Musto points out that of \$324 millions wagered at New Jersey tracks in 1962, the state collected \$30 millions. This is a 10% take by the state. It is hoped, he said, to raise \$75 millions by off-track betting. Does this means a \$750 million expenditure by the people? It would seem easier on the people to tax them directly.

England, as you know, now has a system of off-track betting shops. Studies made with the cooperation of the British Bookmakers Protective Association, show the following economic and social consequences of such off-track betting in England:

"1. A massive increase in gambling expenditures ... and participation of thousands of new citizens in this activity.

2. The great bulk of increased gambling turnover has come from those in the lowest income strata.

3. A sharp increase in defaults of debts owed small shopkeepers.

4. Changed family expenditure patterns with an increased proportion of household income diverted to gambling.

7. The development of new forms of gambling to meet the demands generated by the increased public appetite for wagering."

That's a quotation from Henry D. Paley and John A. Glendenning, Pattern for New York, the whole of which report is solidly against off-track betting shops despite the fact that a portion of it was quoted this morning in favor of

the resolutions before you.

As to the lottery in this regard, the fourth report of the New Jersey Commission on State Tax Policy says:

"The lottery is perhaps the most socially destructive form of gambling that has been devised. It may well impoverish more people, have more insidious effects on public life, deplete most rapidly the legitimate tax bases of a community, can be more widely susceptible to fraudulence, cheating and manipulation than other gambling devices. It would, moreover, fall heaviest on those least able to pay and could promise no certainty or continuity of yield. It places the government precisely in the same position as the operator of a gambling house - the game must be 'fixed' to raise the required revenue."

According to Tax Institute of America studies the State would finally get only 25% of the money spent in a lottery. This is a low yield for an industry which would only take money out of the economy and which is fraught with so many possibilities of social evil.

It is alleged that extension of gambling would reduce the degree of illegal gambling in the State. This is simply a hope - and probably a misguided one.

Mr. Musto points out that presently there is not even a fixed amount of illegal gambling, a fixed number of what he calls "bookies and criminals." No, not fixed figures but rather a ratio of illegal to legal gambling - three to one, he estimates, but he fails to see the point. Increase legal gambling and you increase illegal gambling

by three times.

And, as one proponent of these Resolutions said this morning, the gambling laws change no one, we remain exactly as we were before.

Why should we think it will be otherwise? Are those who are now classed as "criminals" going to voluntarily give up their resources to the state? If this is Mr. Musto's thought, then he has more faith in those he calls "criminals" than he does in the people - for he says the ordinary law-abiding citizens will not pay the state another tax. But criminals will give up their revenues? How foolish can we be?

What will the State offer to lure the illegal bookie's customers away? Credit-betting? Home delivery of winnings? Telephone bets? Something new to bet upon every day?

Mr. Musto says those who are going to bet will bet anyway. And he is so right. Will the State meet all their needs? Really, gentlemen, how absurd can we get? It is obvious that every extension of legalized gambling in this State has led to more, not less, illegal gambling.

What this legislation really proposes is not that we defeat the bookies but rather that not being able to beat them, we join them. Should our people be permitted to even vote on such a proposition?

It is alleged, finally, that there is no moral question involved here. Let me say that the Presbytery of New Brunswick feels there are several moral questions, not having to do with the morality of gambling, per se, but questions about the morality of government.

Is it moral for the Legislature to support by proposing to the people, measures which contain in them great dangers to the public welfare?

Is it moral to take from a few the moneys needed for items of State government which should be paid for by all the citizens who are able to pay?

Is it moral to promote, in a democratic society, built on Judaeo-Christian ideals, a philosophy that "the end justifies the means"?

Is it moral to accuse the people of unwillingness to be taxed for legitimate needs when you have yet to ask us?

Is it moral for elected representatives to offer panaceas rather than solutions for the problems we face as a people?

We urge you to kill these resolutions - and to bury them.

And we thank you for your attention.

ASSEMBLYMAN KEITH: Reverend, thank you so much.

I just wanted to ask one question or so.

You make a very strong point of the fact that you recognize the needs of the State and you then say, "It is alleged that the people of New Jersey would not support new broad-based taxes to provide needed revenues. We dare you to try us."

I was wondering with that strong a statement whether any thought in your group or your church or society has been given as to any suggested form of broad-based tax that they would suggest or recommend?

REV. BROWN: Yes. We have on the minutes of the Synod of New Jersey, which is the State body of our church and of the Presbytery of New Brunswick, resolutions supporting broad-based taxes if the Legislature feels that these are necessary to meet these needs. We have made no statement as to which it should be, the income tax or general sales tax. I would personally favor the income tax as being the more equitable form of taxation. But we have gone on record as being in favor of broad taxation if this is what is needed.

ASSEMBLYMAN DOREN: You understand, of course, Reverend, that there is a bill in the Assembly, introduced by Assemblyman Crabiel, for an income tax. You understand that?

REV. BROWN: Yes. And if there is a hearing on that perhaps we will try to be here.

ASSEMBLYMAN DOREN: I have nothing to say about that phase, being in the minority.

REV. BROWN: Thank you very much.

ASSEMBLYMAN KEITH: Thank you very much, Reverend.

I would like to call as the next witness
Mrs. Ruth P. Palmer.

M R S. R U T H P. P A L M E R: My name is Ruth P. Palmer, Chairman of the Christian Social Concerns Commission of the Union Methodist Church, but I am speaking more as a mother and as a woman because there are several aspects that have not been mentioned in the testimony here that I feel are pertinent to settling the question.

One is the juvenile aspect of it. And Assemblyman Musto has constantly used the word "controlled" gambling. And I am referring now to Speaker Carlino's Report, of which I have excerpts, and on the juvenile aspect of it he says:

"One of the more difficult control aspects for turf-accountants involved the exclusion of minors from his shop. It is unlikely that any of the bookmakers we interviewed would knowingly permit his staff to take bets from persons under the statutory age of 18 there. All, however, admitted that it was virtually impossible to prevent juveniles from placing wagers by using older friends or adults as couriers. A few of the bookmakers related how on various occasions they contacted and corrected parents who had attempted to have their bets delivered and placed by their children. That there is an increase in juvenile participation in gambling is evidenced in the concern expressed by various educators - by Dr. Kerr of the London County Council, and from the sociological survey of gambling habits undertaken this year by the Methodist Settlement in Bermondsey.

"The Methodist Study concluded that an alarming number of youngsters in the South London Dock Area had become addicted to gambling.

"The Reverend Clifford Johnson who directed the survey said, 'The increased incidence of betting among teenagers is the most disturbing development he had uncovered.' Collecting data on juvenile gambling is more difficult than gathering information on other aspects of

betting. Since the statute specifically bars minors, it is understandable that youthful looking punters at betting shops would invariably claim to be over 18 when we asked their ages. Employment age levels are considerably lower in England than in the United States and many British juveniles have their own cash resources to draw upon and spend in anyway they see fit. It is only when gambling participation among youngsters takes an extreme form that it comes to public attention. Thus, the London Daily Mirror reported a 14 year old school boy who had been found stealing money from his father to spend in the betting shops. The same newspaper reported a 16 year old who has an obsession for betting. The father of the youth was quoted in the Press as saying 'betting shops are his downfall. He earns 5 pounds a week but gambles every penny.' The boy had been accused of smashing a window and drew newspaper attention when he was brought before the juvenile courts."

And I think we are having enough juvenile problems right now in this State that we don't need to add this to it.

Then the London Daily Herald conducted a survey of young people under age 25 to find out if they thought there were too many betting shops. One of the two 16 year old girls interviewed, employed as a clerk/^{replied} "No. My mother enjoys having a bet immensely. It is better than bingo. You've got more chance of winning. In fact, I would like to see the age limit lowered to 17 so I can have a bet sooner

myself."

"Juvenile attitudes toward gambling appear to be taking shape as a reflection of rising adult interest in betting, greater attention being paid to gambling news and events in press and television. That the advertising efforts of football pools, credit bookmakers, bingo clubs and the tracks are also having an effect upon the acceptance by youngsters of these activities as everyday entertainment is also apparent.

"The gradual public acceptance of juvenile gambling as a social norm is reflected in a news story coming from Ireland where the betting shops have been established as part of a neighborhood picture for over three decades and the account is about an eleven year old that bets.

"Then there is also the factor of the marital stress. There seems to have been an increase in the number of not very happily married wives, mostly working class, who have gotten into difficulties which they dare not reveal to their husbands, using housekeeping money for betting horses and betting shops. Women gamblers, both the press reports and the interviews with bookmakers, underscored an increasing number of women participating in gambling.

"The British National Society for the Prevention of Cruelty to Children asserts that in recent years gambling is an increasing cause of child neglect. Commercial bingo is dominated by women players. Women were in the minority among patrons in shops we visited during the peak

afternoon racing hours when many of the London shops were literally jammed. However, a far higher proportion of women bettors were observed during the morning hours, tapering off at the noon hour. It was not unusual in various sections to see perambulators parked outside of the turf accountant's shop with infants in them while their mothers were placing bets inside.

"The feeling among many bookmakers was that women objected to the crowding during the racing hours.

"One turf accountant and his wife told us that they had been making a deliberate effort since opening their shop to provide a more refined atmosphere which would be more attractive to women. They emphasized tidiness and followed a policy of cautioning and then ejecting male clients who used profanity on the premises.

"Another turf accountant was less enthusiastic about encouraging the housewives as patrons. He related an incident about the husband coming to warn him and apparently she didn't show up again. "

And then the public assistance money in England apparently is not questioned and they are finding that a lot of that is being used for gambling.

And then there was one other aspect back here, in answer to several of the points that were made: "The total peripheral economic activity stemming from expenditures through betting shops would in no event come close to approaching employment in agriculture, raw materials extraction, manufacturing, transportation and

communication arising from consumer expenditures in other retail establishments.

"Thus, as an economic factor, gambling in Britain today comes close to Dr. Johnson's classic 18th Century definition as being 'a mode of transferring property without any intermediate good.'

"There has, of course, been some 'intermediate good' in terms of new job opportunities but it is ironic that leaders of the British government, understandably concerned about exclusion from the Common Market, desperate to develop new consumer outlets which would help keep the pace of their economic growth abreast of Western Europe's, have done nothing to contend with the expanding cul-de-sac which, by decelerating monetary flow, is draining off an increasing share of their domestic market.

"As Britain's largest bookmaker, Mr. William Hill, told us: 'the betting shops are a cancer.'" And as such, I feel totally against off-track betting and also the lottery.

ASSEMBLYMAN KEITH: Thank you, Mrs. Palmer. I was going to ask you about the lottery because it appeared that most of your comment, while very helpful, was limited to the discussion on off-track betting, and I was going to ask if you felt the same way about the lottery.

MRS. PALMER: Well, I feel it is the lesser of the two evils, the lottery, if we had to have something, but I would be strongly opposed to both so far as the aspects from all angles of family life.

ASSEMBLYMAN KEITH: Thank you so much for appearing here. We appreciate it.

I would like to call as our next witness, Mr. Joseph C. Diaz.

Would you identify yourself and give the organization you represent, please.

J O S E P H C. D I A Z: Mr. Chairman and members of the Committee, ladies and gentlemen: My name is Joseph C. Diaz. I am President of the American Taxpayers Union, Inc. of New Jersey, and I am appearing here today in behalf of all the members, followers, and sympathizers of our organization.

Before I say anything, I want to thank you all for having given me the opportunity to appear here today. I also want to thank Assemblyman Irving E. Keith, Chairman of the Assembly Judiciary Committee, for calling this hearing on the two measures introduced by Assemblyman William V. Musto - a state lottery and legalized off-track betting.

Now, I want to begin my talk and I ask that you all bear with me, if you please.

The American Taxpayers Union, Inc. of New Jersey, which is responsible for having planned, initiated, and spearheaded the National Tax-Relief Crusade on April 1, 1962, and which ultimately resulted in the recent tax cut granted us by the Federal Administration, has also sounded the alarm during the past two years and made continued appeals for a state lottery and/or legalized off-track betting in order to prevent and avoid the imposition of

any new taxes in the State of New Jersey, whether these be an income tax, a sales tax, or any other kind of broad-based tax.

During the past two years we printed and mailed tens of thousands of letters, leaflets and other literature to people from all over the State of New Jersey, as well as to our Honorable Governor, Mr. Hughes, our Senators, Assemblymen, State Officials, Mayors, City Officials and elected officials throughout the State. Also to the newspapers, radio and television stations, organizations and groups of all kinds of endeavor.

During the past two years we have also held demonstrations of various kinds, which include the picketing of Newark City Hall - twice, Jersey City Hall - twice, Union City Hall, Bayonne City Hall, Harrison City Hall; and during the past three months we picketed the State House here in Trenton four times. Our demonstrations here in Trenton, in favor of a state lottery, took place on February 24, March 16, April 6 and April 27.

The reason we are doing this is because we all know deep in our hearts that if any taxes are imposed, they will stay here forever.

Moreover, not only will they stay here forever, but they will keep increasing to the point where we will all be taxed to death.

Every taxpayer of New Jersey is already paying a large amount in taxes. In addition to paying Federal Income Taxes on the wages we earn - which I call taxes on

our sweat - we also pay taxes on everything except the air we breathe, but who knows, we may be paying taxes on air some day.

If we are to enjoy a halfway decent standard of living, we have to stop this sickness called taxes.

Excessive taxes are the ruin of our economy, and the ruin of our economy means the death of our state. Excessive taxes kill all incentive for a better life. Excessive taxes stop progress, peace and prosperity. Excessive taxes stop the expansion of all our industry and businesses of all kinds.

Taxes cut down on wages and earnings of both industry and business, and the individual.

Now, referring briefly to the New Jersey Budget for the fiscal year ending June 30, 1965, our great Governor, the Honorable Richard Hughes, has recommended for state expenditures a budget of \$589,926,020.

The estimated resources of our state amount of \$593,863,779, leaving a surplus of close to \$4 million.

Now, this is the maximum expenditures under a balanced budget. This means that our Governor is running the affairs of our state like a housewife runs her home, her family budget. This does not mean, however, that our state will have enough money to provide for all the needs or services of the people of our state. This is a budget of strict economy, a very, very tight budget.

With this budget our Governor cannot improve any program having to do with the services and needs of

the communities of our state. Right now, New Jersey has the following national rank in the following services:

In total expenditures it ranks #50. In other words, we are the last state in the Union in total expenditures and yet we are the highest taxed people in the country, or in the world for that matter.

In capital outlay construction we also rank #50. In highways we also rank #50. In personal services we rank #49. In current operations #48. In public welfare we rank # 47. In total education, #47. In higher education, #47. And in health we rank #46.

These are the official figures for the year 1961, but we are more or less the same for 1964-1965 unless we do something about it. And in my book this means a state lottery.

The requests presented to the New Jersey State Budget Director by the department heads for fiscal year amounted to \$752,500,000.

We could, and should use at least \$1 billion if we are to keep pace with the rest of our country, and if we are to give our people the minimum services needed.

But our Governor was forced to cut down the budget to \$589 million, or \$162 million less than what was asked by the department heads of our state.

In the field of education, but mainly in higher education, our budget should be increased by at least \$100 million. The \$100 million should be used to aid our state colleges and university.

We should also increase the salaries of our professors and teachers. We should also step up the construction of county colleges, vocational schools and libraries. This would stop the flow of our students to schools and colleges outside of our state, and our labor market would provide more skilled youth for our factories and plants, for all industry and business in general.

Our State Highway Department budget should also be increased from \$93,974,000 dollars to \$193 million, or an increase of \$100 million. This increase is needed and necessary, if we are to keep pace with the rest of the country and we are to provide our motorists with the essential and necessary travel and safety facilities, including highways, bridges, tunnels, over and under-passes, and the good maintenance and repair services of what we already have.

The police budget should be increased by at least 50%, to about \$50 million, to provide salary increases and construction of new facilities for our Department of Law and Public Safety.

Also special pension funds and welfare funds should be established for the members of the State Police and their families.

The Natural Resources budget should also be doubled to about \$40 million. We should also increase the budgets for welfare, correction, regulatory, health, and general control, both legislature and judicial. Our State War Veterans should also be helped in many ways and

special bonuses should be given them from time to time.

The expenditures for our hospitals and mental institutions should be increased from \$75 million to at least \$125 million to be used for medical services in general, medical-surgical services, children's special services, mentally ill patients, mental retardation, mental and emotional handicaps, etc. We should also provide aid to community mental health clinics, which should be doubled or tripled right away.

Patients nowadays are not being nursed like they used to years ago in our hospitals, clinics and medical institutions of all kinds. The state of bedside care in the hospitals of New Jersey is very deficient, indeed.

ASSEMBLYMAN DOREN: Mr. Chairman, I don't like to interrupt but I don't think there has been any question by the opponents or proponents as to the needs of the State and I think if we could sort of limit this to the issue at hand, as to these two bills. I know what you are trying to bring out, the needs, but there is no question about the needs of the State.

MR. DIAZ: I seen the witnesses appear here today and they dramatized the evils of this and that.

ASSEMBLYMAN DOREN: But nobody said that we didn't need the money.

ASSEMBLYMAN KEITH: No. I think, if I may, as Chairman I agree with Assemblyman Doren that we would very much appreciate it if you could limit your remarks not to a statistical breakdown of the needs of New Jersey,

which we all heartily recognize, but if you could give your views as to the reason for favoring these Resolutions. Then if, incidentally, the revenues - if that's one of your points - goes toward the needs, that's all right, but without all the statistics.

We don't want to limit the information you have but we can have that incorporated in the report rather than take the time to have it read.

MR. DIAZ: All right, then I will leave the statement with you.

ASSEMBLYMAN DOREN: And we will put it in the record.

ASSEMBLYMAN KEITH: Sure.

MR. DIAZ: Well, I would like to make some comments which won't take me very long.

ASSEMBLYMAN KEITH: Surely, go ahead.

MR. DIAZ: Before I came here today, I knew that the greatest opposition to a lottery was the various religious orders and religions.

It seems that the majority of the opponents of a lottery in this state, or in this country, are representatives of religious groups or religions. However, in Spain, where they have the largest lotteries in the entire world, and where out of 30 million people 29 million are Catholic, they never had anything to say against a lottery. The same applies to very religious countries like Puerto Rico, Mexico, Cuba, Brazil, and other countries in South and Central America.

A lottery would not bring poverty, crime, vice, corruption, etc. to our State or Country. On the contrary, state lotteries and a national lottery would in the long run help to stamp out poverty, crime, vice and corruption.

Mr. J. Edgar Hoover has said that \$50 billion are illegally being gambled in the United States of America every year. This illegal gambling mentioned by Mr. Hoover is the kind of gambling that brings the above-mentioned evils, this illegal gambling, not legalized.

Gamblers could not possibly get in any way into a lottery program such as the one submitted by the American Taxpayers Union.

For the record, we are supporting the bills, ACR 2 and ACR 4, but mainly a state lottery over off-track betting.

ASSEMBLYMAN KEITH: Thank you.

MR. DIAZ: If I may, I just have a little paragraph here from the Sunday Home News, New Brunswick, Sunday, April 26, 1964. I just want to quote a little paragraph.

"The group of United Democrats of Edison, Inc. have just completed a two months survey of community leaders and residents on their thoughts about a New Jersey sponsored sweepstakes or lottery to alleviate some of the State's financial loss. The group was somewhat surprised to discover that about 93% of the 553 men in the street, returns from 79 communities throughout the State, favored a sweepstakes or lottery to raise needed state revenues. Only 5% were

against it. And another 2% of the returns were ruled invalid because no address was given. Attorney General Robert F. Kennedy's office returned its questionnaire with the statement that such a question is properly left to the judgment of the people of the various states."

ASSEMBLYMAN KEITH: Thank you, Mr. Diaz

I just want to ask, if I may, - you said that you are President of the American Taxpayers Union, Inc. of New Jersey? Is that the right title?

MR. DIAZ: Correct.

ASSEMBLYMAN KEITH: And your address is 595 West Side Avenue, Jersey City?

MR. DIAZ: That's where our club headquarters are located.

ASSEMBLYMAN KEITH: And is this an affiliate of any national organization?

MR. DIAZ: No, sir.

ASSEMBLYMAN KEITH: It is solely a New Jersey corporation?

MR. DIAZ: Yes, sir. But we have members from some other states, like New York.

ASSEMBLYMAN DOREN: What is the purpose of the organization?

MR. DIAZ: The organization is to initiate drives on tax cuts. In other words, reduce taxes wherever possible and seek the means to alleviate the imposing of new taxes, such as a state lottery or a national lottery.

Finally, I would like to leave a couple of

programs that we submitted to Congress last year.

ASSEMBLYMAN KEITH: Is your main function to try to propose lotteries?

MR. DIAZ: Mr. Chairman, see, we don't propose them, like Mr. Musto has this bill for 17 or 18 years. What we are trying to do is whip support for bills that we think will benefit everybody in general.

ASSEMBLYMAN KEITH: Would your organization support an income tax?

MR. DIAZ: No, sir.

ASSEMBLYMAN KEITH: Would your organization support a sales tax?

MR. DIAZ: No, sir.

ASSEMBLYMAN DOREN: If you don't get this, what's your position? what's your answer to the problem?

MR. DIAZ: Well, our answer is to keep fighting and organizing people and getting support through our Assemblymen and representatives throughout the cities and state on a community-municipality-state basis so that we can someday have the lottery and try to get this lottery bill passed.

ASSEMBLYMAN KEITH: In other words, you are pushing the area only of lotteries and/or off-track betting.

MR. DIAZ: No. If there was a painless way of raising revenue without having to impose more taxes, we would go for it but I don't see any other answer.

ASSEMBLYMAN KEITH: Well then again, if I may repeat myself just to get it clear in my mind, am I correct

or incorrect that the only two proposals that you now favor or can think of are either a lottery or off-track betting?

MR. DIAZ: That's right, as of now, but 90% for a lottery.

ASSEMBLYMAN KEITH: Talking about a lottery, you mentioned Brazil and the fact that they have a national lottery. Are you aware of the fact that Brazil's annual per capita income is only \$310 per person even though they have a lottery?

MR. DIAZ: I am, Mr. Chairman, but I believe that the lottery has nothing to do with it. If they didn't have a lottery it would be the same thing. You have that in other countries that are poor but they happen to have a low standard of living but the lottery has no bearing on that.

ASSEMBLYMAN KEITH: Does the lottery, in your estimation, in a country such as Brazil, aid its economy?

MR. DIAZ: Well, it aids it in a certain way. In other words, this is the point that if they didn't have a lottery they use their money mostly for mental institutions, hospitals, etc., children without parents and things like that. They wouldn't have that care if they didn't raise the money from a lottery, and thanks to that they are having the care. Just like in Spain. In Spain they have a \$30 million lottery on Christmas alone, and they have them every month and that's how they raise their money. If they didn't have this means for raising money these people would go unattended.

ASSEMBLYMAN KEITH: Do you think it's significant

of the fact that Brazil with a national lottery has received aid to help its desperate economic plight of 1,376,000,000 American dollars?

MR. DIAZ: Yes, sir. I agree. But so do other countries who are richer than Brazil receive them. England is receiving them, France, and many other countries that needed them at the time.

ASSEMBLYMAN KEITH: Then, do I understand that you feel that Brazil's lottery does not substantially aid its economy?

MR. DIAZ: I say on the local basis it does, Mr. Chairman.

ASSEMBLYMAN KEITH: Thank you.

MR. DIAZ: May I submit this report.

ASSEMBLYMAN KEITH: Yes, it will all go in the record.

(Immediately following is the remainder of Mr. Diaz's statement which was not read into the record.)

More nurses are needed in order to fulfill the needs of our hospital patients. Patients need sympathy, soothing attention, comfort, and the services of a nurse. New Jersey needs perhaps as many as four or five times more nurses than the amount we have at present. Another very important factor is that our nurses should be compensated justly for the services they provide. At present our nurses are very much underpaid. The nurses of today have ten times more duties to perform than what they had 25 or 30 years ago.

The nurses of today perform duties that 25 or 30 years ago were performed mainly by doctors. Today, in addition

to performing bedside duties, like feeding patients, taking care of bedpans, giving them rubdowns on their backs, chests, arms, legs, etc., our nurses perform various medical services, like taking blood pressure, giving injections to patients, and infusions. They give oxygen, and all kinds of pills, drugs, medicines, blood transfusions and other kinds of medications and treatments. They also take X-Ray pictures and perform small surgical services. It is amazing to observe a nurse at work, going from bed to bed. A patient wants a pitcher of cold water; another one wants to be turned on its back; another one wants to have its bed raised, and a light put on or out, the radio or television channel changed, bedsheets changed, a bedpan for another one; another one calls to tell the nurse about feeling pain; another one is tired, and they bombard the nurse with questions of all kinds; when are they going home, if they have any mail, if anybody called, some feel bored, others cry, one feels he is losing weight, a young girl complains about gaining weight, and many, many other problems for which the nurse must have an answer or provide a service or a cure. Many times we wonder where does a nurse find the time to provide all these services. Not only the services they provide but also act to the patients like second mothers, or wives or sisters. They comfort the patients, they pat them on the back, they cheer them up, they write letters for them. The nurses are the greatest thing on earth. They do a lot for all humanity. We should at least do a little for them.

Our State Capitol facilities need many improvements.

Our railroad station looks like a big barn. In keeping in step with progress, prosperity and modern efficiency, we should provide modern concepts to improve the working conditions of our workers. This means from our Honorable Governor to the lowest paid worker in the State. This includes air conditioning of the State House, State House Annex, State Office Building and every other State building or State institution.

We should also build a new and modern railroad station and bus terminal with the most modern facilities and do away with our present barn, which we call railroad station.

We should also provide incentive programs for our volunteer police and firemen, by compensating them with a token of esteem, like a Christmas bonus of maybe \$500 to all active members. This should also apply to the active rescue squad and first aid men of our State.

The main concern, however, of our volunteers is supplies and equipment. The State of New Jersey should supply these fine groups of volunteer firemen, police, first aid men and rescue squads with everything they need to provide our State residents with the best services possible.

The State of New Jersey should also institute a special fund in order to establish a practice of giving a sum of money, perhaps \$5,000 to the family of every volunteer police, fireman, rescue squad and first aid man killed in the line of duty.

The amounts being paid to volunteer fire companies

by the municipalities should also be increased with State aid. Workmen's compensation insurance coverage should be given to every volunteer policeman, fireman, first aid man, and rescue squad man on active duty, or in the performance of their services. The Motor Vehicle inspection force should also be increased in order to have coverage during seven days of every week. Many persons work six days a week and Sunday would be a good day for them to have their cars inspected. This would relieve some pressure on the part of the motor vehicle inspectors, and would avoid the loss of hundreds of thousands of dollars in wages every year, because of workers having to take time off for car inspections, and would also eliminate inconveniences to industry and business in general, while workers take time off to go for car inspections.

The Motor Vehicle Inspectors should also get salary increases and better benefits.

The State of New Jersey should also provide the funds to increase the number of judges in all the courts of New Jersey, in order to speed up the backlog of cases pending to be heard. Our Governor has already asked for this.

We should also allocate the necessary funds to speed up cases waiting to be arbitrated in labor disputes, between the companies and the labor unions.

It is a shame indeed, that many workers have to wait two years or more before their cases can be brought up for trial. No case should be allowed to wait more than 30 days before it could be heard. Perhaps the personnel to do

In closing I want to make the following observation: The late Chief Justice of the Supreme Court of the United States, the Honorable John Marshall, once said, and I quote: "The power to tax, involves the power to destroy." The American Taxpayers Union has this to say: "Don't tax us to death, give us a state lottery."

Please give these two statements your most considerate thoughts. Thank you all very much for your interest, patience and attention paid to me on this day, which may be the turning point in the history of our great State for a better tomorrow, in the pursuit of a more peaceful, progressive and prosperous State, if a lottery becomes a reality.

And this may be, not because of what I said, but because of what you may do.

Once more a million thanks.

ASSEMBLYMAN KEITH: I would like to call as our next witness - and I am thankful that she has a great amount of patience - Mrs. Paul Moffett.

M R S. P A U L M O F F E T T: I am Mrs. Paul Moffett, 1261 Prospect Street, Westfield, New Jersey. I am a member of the Board of Directors of the League of Women Voters of New Jersey and am speaking for that organization.

The League of Women Voters opposes such measures as off-track betting and lotteries for social, psychological and economic reasons and also because they are not

satisfactory revenue producers. We believe that a wealthy, modern, urban state like New Jersey should not resort to such measures for raising revenue.

Generally those who favor such programs feel that the other fellow is going to buy the lottery ticket or place the bets and that he gambles anyhow so why not make it legal and profit from it.

It is common knowledge that bettors come mainly from the lower income groups - those who are looking for a get-rich-quick scheme. The prospective social costs to their families who are deprived of money for essentials and the cost to government in welfare and assistance cannot be measured in advance, but there is little question that it would be substantial.

Federal laws have been enacted prohibiting the use of the mails, radio and TV programs under federal license, etc. to advertise or mention lotteries. It is also illegal to carry lottery tickets across state lines. In fact, a Rhode Island man was recently caught carrying New Hampshire lottery tickets. A state that is willing to establish a lottery that flaunts federal laws creates a dangerous psychological condition for all its citizens. The highly urbanized State of New Jersey needs to encourage respect for the law.

The criminal element in the state is not eliminated by making off-track betting legal. If so, why does Nevada have the highest crime rate in the United States? - by far the highest crime rate in the United

States, I might say. There are many other gambling means that would receive the concentration of gangsters and the fact that the police allow gambling in one field makes law enforcement that much more difficult in other areas.

Lotteries tie up vast sums for an indefinite period and this is the time when the government is cutting the federal income tax to encourage the flow of money. The New Hampshire lottery tickets have been on sale for months but the first race will not be run for another five months.

Ignoring all these significant but immeasurable factors, the most important reason that such measures as off-track betting and lotteries should not be considered in New Jersey are that they do not produce enough revenue to solve New Jersey's current problems.

According to Governor Hughes, New Jersey now needs a minimum of \$153 million more on a pay-as-you-go basis to build the facilities we so sadly lack and to provide for increased aid to education to equalize educational opportunities and to relieve the tax pressure on the property owner.

If New Jersey wanted a state lottery to produce some \$150 million a year each of New Jersey's approximately 2 million families would have to buy a \$3.00 ticket each week. This would produce \$300 million and after allowance for prizes and administrative expenses, would yield the State some \$150 million. This would cost each family \$150 a year. Should the state succeed in circumventing

federal laws and selling one half of the tickets to out-of-staters, each family could then limit its buying to one \$3.00 ticket every other week, and the cost would only be \$75 a year.

This is based on the optimistic estimate of one-half of the money going into the State Treasury and the other half into administration and prizes. New Hampshire hopes to keep 40% to 50% for state use. However, in the Irish Sweepstakes only 25% is retained.

I noticed various figures today being quoted as a yield for these different lotteries and the cost of operating them. I do have a letter from the Sweepstakes Commission of New Hampshire. I might add the figures here so you will have them.

ASSEMBLYMAN KEITH: I would like very much to have that.

MRS. MOFFETT: I will send you a photostat of it from the office. (See p.71-a)

They say that they expect to yield 40 to 50% of the gross revenue. They expect to pay 30 to 40% in prizes, which leaves, of course, roughly 10 to 20% in administrative costs. And they fear they will have to pay the 10% federal wagering tax. So, of course, that means that it becomes quite an expensive program to administer.

The Irish Sweepstakes is another example - 30% goes to commission, 45% to prizes - so you see they are not cheap programs to administer.

Certainly every family in New Jersey is not going to buy tickets for a lottery and most people would buy only one ticket. Even assuming this goal could be attained, how would the cost of \$150 a family, or even \$75, compare with per family cost of such sound tax programs as a sales tax or income tax?

These taxes, channelling all but 1 to 2% of their yield into government services without any attendant outside costs such as law enforcement, welfare, etc. are so much more satisfactory a solution that one wonders why lotteries and off-track betting are considered at all.

Selecting the typical families most involved in betting, one with a \$3,000 annual income would pay only \$26 with a state sales tax and no state income tax. A family with a \$5,000 annual income would pay \$38 with a state sales tax and \$19 with a state income tax.

I am comparing these to the cost of say around \$75 or \$150 a year for a lottery if we would support the program we wish to support.

Wouldn't it be more appropriate to collect the needed funds in a legitimate manner with the least cost to the taxpayer?

I want to add one point to this statement. We cannot see in the League of Women Voters why such sensible procedures as a broad-based tax, sales tax or income tax, are not considered or at least given equal time. We requested a public hearing on April 13 on broad-based taxes and we never received a reply to our request.

I also understand that several members of the Committee for State Tax Reform made a similar request.

This Committee for State Tax Reform is composed of some 25 organizations, state-wide organizations in the State. These represent responsible citizens, responsible organizations, they represent a good cross-section of the State, they represent a lot of members of these organizations, and I think if they wish to have a hearing on a broad-based tax it should be considered and not tossed aside.

ASSEMBLYMAN KEITH: Thank you, Mrs. Moffett.

In so far as your last remarks are concerned, of course, this Judiciary Committee does not have within its committee the broad-based tax proposed legislation --

MRS. MOFFETT: I realize that.

ASSEMBLYMAN KEITH: so, therefore, we cannot reply to that comment in any way, and only can tell you that when this matter came before us we thought it was the subject matter of a public hearing.

Have you any questions?

ASSEMBLYMAN DOREN: No questions.

ASSEMBLYMAN KEITH: No other questions.

We want to thank you so much for coming here and giving us the benefit of the League's comments and your personal comments too.

MRS. MOFFETT: I will send this letter tomorrow.

ASSEMBLYMAN KEITH: If you will, please.

Thank you.

I have just one other witness' name here and in the event there is anyone else in the room who has failed to give me their name and who wishes to testify I would appreciate their doing so.

The last name that I have as a witness is Mr. Theodore Kush from Trenton. (No response.)

We lost one. Well, that wasn't bad from the whole list.

I would like, before we conclude the hearing - I see no other individuals who indicate their desire to testify - to just comment that the Committee did receive letters from Ralph C. Whiting of Elizabeth; from the United Church Women of New Jersey; from Mr. James M. Cawley; from the New Jersey Council of Churches; and from the Veterans of Foreign Wars' Legislative Officer; and that all of the comments that are in these letters, because these individuals, other than the New Jersey Council of Churches, could not be present and they asked that their comments be made a part of the record and we are very happy to do so.

MEMBER OF AUDIENCE: Might I appear as a witness?

ASSEMBLYMAN KEITH: Surely.

Will you please give us your name and address and whether you represent an organization or not.

R E V. T H O M A S B I E R M A N: My name is Tom Bierman, 26 Columbia Avenue, Trenton. And I am a Minister of the Unitarian Church of Trenton, New Jersey, and I speak as an individual.

I would like to express myself in favor of legalized off-track betting and lotteries. And if I may have the indulgence to read a few remarks which I gave to members of my Church.

I cannot appreciate the moral arguments against legalized off-track betting. Churches invoke moral condemnation on gambling but curiously, however, legislators see to it that if anyone is allowed to gamble it shall be first of all churches, veterans organizations and charitable institutions. If gambling is an immorality this is a notorious inconsistency.

If the churches are going to talk on moral grounds, they should ask repeal of the gambling privileges accorded to them.

The churches oppose legalized off-track betting. However, how about proposing the closing of race tracks. The churches do not do this. I suppose they will not propose longshots and the odds against the race track being closed are too long to even calculate.

For one thing, the State revenue from racing is too delightful. For another, people like the races. And further the race tracks are the foundation for illegal off-track betting which, according to a report, represents 61% of all illegal gambling in the nation.

Illegal off-track betting, I understand, is five times the amount bet on the tracks. Close the tracks and you threaten off-track betting, the major source of gambling in the country. Therefore, the tracks will not

be closed, yet every year the government loses five times the revenue it receives from on-track betting. And where does this lost money go? It goes, as one report states, "into the pockets of individuals, corrupt politicians, and is being used to induce corruption of the police."

And the same report further states that off-track betting is responsible for more crimes than anything else.

If horse betting is an iniquity, is there a moral difference between betting on-track and off-track? Does seeing the horse win or lose make it sportsmanship and not seeing it make the betting wrong?

I fail to decipher a difference. But an invidious distinction is made between the plebeian and the patrician, between the poor and the wealthy.

Allow off-track betting, it is said, and you increase the betting. You, indeed, do. The plebeians, it is said, will now bet en masse. And this, the self-appointed overseer of the poor must prevent. The poor, they say, must be protected from their weaker judgment. We must not deprive the poor of the money they need for necessities, after all, that's all the money they have, just enough for necessities. Let's not put temptation in their way for temptation is something which these peculiar people can't resist, it is said.

Meanwhile, however, let syndicates of crime continue in their fortune making.

To outlaw gambling is like outlawing drinking.

Why invite immorality of hypocrisy as those residents who vote dry for their town but buy their liquor on the other side of the tracks.

Legalized off-track betting and state lotteries - make sense to me.

I do not say that since revenue is needed and since people bet anyway let's legalize it, albeit reluctantly. I say frankly that gambling is a pleasure of which I would not be ashamed. I say that I trust in the judgment of the great majority of people to handle their own affairs and finances. I say that I trust in the character of people. I say that I believe in my capacity to be temperate; and as I believe so of myself, I believe so of others.

I say that to disbelieve in the people's capacity to handle themselves is of momentous consequences and calls democracy in question.

I further believe that it is in the power of the people to create gambling laws, if they can do it, create gambling laws which shall issue to the health, welfare and happiness of the people. And if off-track betting is legalized, I believe that criminal organizations will be circumscribed in their activity.

Thank you very much.

ASSEMBLYMAN KEITH: Thank you so much.

Might I just ask you, you made reference to a report that stated that illegal off-track betting produced five times the revenue of legal track betting. Can you

tell me the name of the report, please.

REV. BIERMAN: I do not have it with me at present. I did my research at the State Library. I have that at home. I did not expect to be here but I could bring that report in. It was a report done on off-track betting in New York.

ASSEMBLYMAN KEITH: Oh, I see. That was a New York State report, not a New Jersey report.

REV. BIERMAN: No, not New Jersey.

ASSEMBLYMAN KEITH: I thought you possibly had some information in so far as New Jersey was concerned.

REV. BIERMAN: No. This is five times the nation and the nation as a whole. That was the statistics. It wasn't referring particularly to New York but the nation as a whole. In the nation there was five times more off-track betting than on-track betting.

ASSEMBLYMAN KEITH: To your recollection, no specific reference to New Jersey.

REV. BIERMAN: No, none.

ASSEMBLYMAN KEITH: Thank you so much.

ASSEMBLYMAN DOREN: Is it your firm conviction that to permit people to place bets off-track would not affect the families, the lives of families in this State in so far as economics are concerned and happiness is concerned in the family itself?

REV. BIERMAN: No. I believe that people can be educated to be temperate and I think it is presumptuous to state that certain individuals cannot be self-reliant

to handle themselves. And I cannot see any distinction in morality between on-track and off-track betting.

ASSEMBLYMAN DOREN: Well, do you take the position that because people do an illegal thing it should be made legal?

REV. BIERMAN: I do not say it's illegal.

ASSEMBLYMAN DOREN: You don't think off-track betting --

REV. BIERMAN: It is now illegal so far as the law is concerned.

ASSEMBLYMAN DOREN: But you would want to make it legal because a majority --

REV. BIERMAN: No. I would make it legal because I see no wrong in it.

ASSEMBLYMAN DOREN: We have many laws which are being violated. Do you feel just because a lot of people violate our laws that, so that we don't have so many involved, we should make it a legal thing?

REV. BIERMAN: I don't understand that.

ASSEMBLYMAN DOREN: Well, you have a lot of deaths by automobiles where people are convicted and go to jail. Do you think we should say, well, it's no longer a crime to kill a person with a car wilfully and wantonly?

REV. BIERMAN: I think gambling can be dangerous. In itself, I do not see it as a sin. I think it can be dangerous if abused. And I think if it is controlled by the State, perhaps, or if great vigilance is set I think this can be done. But I think by outlawing off-track

betting - I think it occurs and I think we are inviting a greater immorality by allowing criminal organizations to enter and also by the element of hypocrisy by betting on-track and not off-track.

ASSEMBLYMAN KEITH: Do you advocate the passage of any legislation that would make all types of racing illegal?

REV. BIERMAN: How do you mean, all types?

ASSEMBLYMAN KEITH: To eliminate the tracks that we have now, making them illegal.

REV. BIERMAN: No, I do not personally advocate that. No.

ASSEMBLYMAN KEITH: You do not.

REV. BIERMAN: No.

ASSEMBLYMAN KEITH: Thank you.

Is there anyone else who wants to be heard?

ASSEMBLYMAN DOREN: Before we close, so the record will indicate, we have asked certain questions of certain witnesses and I don't want it to be construed that we were trying to offend anybody, it was just for the purpose of getting the record straight and to assist us because there have been a lot of issues raised. The purpose of the questioning was to clarify the situation and was not intended to insult or make someone feel uncomfortable. I want to assure you that it was to keep the record straight.

ASSEMBLYMAN KEITH: Thank you, Assemblyman Doren.

And just to follow up on that thinking, the form of the questions that some of the members asked

did not necessarily reflect their personal thinking. This, again, is a method or means of attempting to get as much information for the record as possible.

And in closing I would like to again express the Committee's thanks and appreciation to all the members of the public who took their time to be here and give us the benefit of their views. And I also want to convey our gratitude and express our thanks to the reporters who have worked so diligently and conscientiously all day.

There being nothing further from anyone, I will close this public hearing.

* * * * *

Ralph C. Whiting
628 Jackson Avenue
Elizabeth, N. J. 07201

Mr. Irving E. Keith
Chairman
Assembly Judicial Committee
State House
Trenton, N. J.

Dear Mr. Keith:

I do not think ACR 2 or ACR 4 are for the good of our State. They will only help to lower the morals of our citizens. Our young people need guidance to a more decent life.

If funds are needed, let's reduce expenditures.

Won't you please exert your influence to defeat the aforesaid bills?

Thank you.

Ralph C. Whiting



UNITED CHURCH WOMEN OF NEW JERSEY

219 Norwood Ave.
North Plainfield, N.J.
April 26, 1964

The Hon. William V. Musto
State House
Trenton, N.J.

Dear Mr. Musto:

United Church Women of New Jersey would like to be placed on record as opposing a State Lottery. For several years we have had on our books a resolution opposing any form of legalized gambling. We do not believe in resorting to gambling as a source of revenue. The evils attached to gambling (rackets, crime to provide gambling funds, diversion of family resources from wholesome expenditures, impoverishment of families, frustration, etc.) outweigh any good that can be accomplished by the ill-gained revenue.

We ardently urge that the matter of legalizing a lottery be kept off of the ballot so that it can not tempt those persons ever ready to say " yes" to anything that brings in easy dollars and spares them from a sound and sensible broad based tax.

Please incorporate into the record of the hearing our strong opposition to a legalized state lottery .

Sincerely yours,

Mrs. Carl G. Hartman

Mrs. Carl G. Hartman
Legislative chairman
United Church Women of N.J.

James M. Cawley
Attorney at Law
420 Mountain Avenue
P. O. Box 222
Springfield, New Jersey 07081

Township Attorney
Springfield

April 21, 1964

376-4189

376-0674

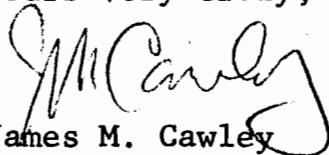
Irving E. Keith, Chairman
of the Assembly Judiciary Committee
State House
Trenton, New Jersey

Dear Sir:

It is impossible for me to attend the hearing on ACR-4, but I would like to take this opportunity to go on record favoring a Constitutional Amendment to permit a State lottery. As you know, government lotteries in the past have been very successful, and can be handled without the usual gangster-gambling taint.

We certainly recognize that additional monies are needed to pay for the increased cost of government, and this is one source which should be exploited before we resort to compulsory taxes which would effect the pocketbook of the family man.

Yours very truly,


James M. Cawley

JMC/ef

cc: Nelson F. Stamler
Senator, Union County
State House
Trenton, New Jersey

NEW JERSEY COUNCIL OF CHURCHES

116 NO. ORATON PARKWAY, EAST ORANGE, N. J. • ORange 5-8600

April 3, 1964

To the Members of the New Jersey Assembly:

Re: ACR-4

Dear Friends,

The New Jersey Council of Churches is unalterably opposed to any extension of gambling in New Jersey. We would urge your opposition to ACR-4, which would amend the State Constitution to permit the conduct of lotteries, the net proceeds of which would be designated for aid to State institutions, education, a bonus to veterans, emergencies as well as State, County and local roads..

The statement attached to the bill says "Throughout recorded history governments have recognized the presence of some measure of gambling instinct in many of their citizens and have turned to lotteries as a source of revenue." We would call to your attention some of the nations in our world dependent upon lotteries as a source of revenue which have never come up to our standard of living.

ARGENTINE has a national lottery. It also has an annual per capita income of \$521. Since the close of the last war Argentina has received from the United States in foreign aid to bolster its sagging economy the sum of \$460,000,000.

BRAZIL also has a national lottery. Its annual per capita income is only \$310. And Brazil has received in aid to help its desperate economic plight 1,376,500,000 American dollars.

FRANCE has its national lottery. However, with hat in hand France has gathered up from the American tax payers 9,423,000,000 American dollars.

ACR-4 refers to the great benefits of the Irish Sweepstakes, but it is silent about the \$146,200,000 that has come from the treasury of our Federal government to assist little IRELAND.

Because we are economically strong, we have been able to send financial aid to the underprivileged nations of the world. Let us not weaken our state and nation by the unrealistic dream of "fool's gold" envisioned in ACR-4. Who will aid us when unthinking lawmakers allow us to go down the road to economic ruin?

ACR-4 is a very shallow approach to the needs of our State. The Legislature should set itself to the task of stablizing our tax burden rather than looking for "sugar-coated" methods of taxa-

President
THE REV. JOSEPH H. HEARTBERG

Vice-Presidents
THE HON. PHILIP R. GEBHARDT
MRS. KENNETH GULICK
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MR. CHARLES URQUHART
S. Munn Ave., E. Orange, N. J.

Dir. Dept. Research
and Church Development
THE REV. DONALD F. KOELLING

Dir. Dept. Work Among Migrants
THE REV. REINHARDT VAN DYKE

Rev. Samuel A. Jeanes

ACR-4

Page 2

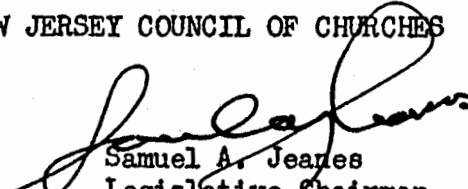
tion which will do economic, social and moral harm to those least able to afford it.

The moral dangers of the lottery were spelled out several years ago by Richard Cardinal Cushing when the State of Massachusetts was considering such a proposal. He said,

"It is my honest conviction that the lottery, as a form of large-scale gambling, is economically unsound, socially disintegrating and morally dangerous. It is economically unsound because it does not create new sources of revenue but rather draws from those which already exist in ways which tend to disturb the normal and healthy process by which economic prosperity is promoted. It is socially disintegrating because it tends to encourage the desire to get something for nothing and thus to impede the honest effort by which individual men become useful members of society. It is morally dangerous because it creates serious temptations to theft in those who handle money which does not belong to them, and because it stands in the way of prompt, and systematic payment of debts and other obligations of justice."

Sincerely yours,

NEW JERSEY COUNCIL OF CHURCHES



Samuel A. Jeanes
Legislative Chairman

SAJ:lm1



CHARTERED BY
CONGRESS 1899

VETERANS OF FOREIGN WARS OF THE UNITED STATES — DEPARTMENT OF NEW JERSEY

WAR MEMORIAL BUILDING, TRENTON, NEW JERSEY, 08608

3

Phone 393-1928

COMMANDER
THOMAS O'ROURKE
49 EAST 3RD ST.
BAYONNE, N. J.

SR. VICE-COMMANDER
JOHN G. McLAUGHLIN
121 EAST ORMOND AVE.
OAKLYN 6, N. J.

JR. VICE-COMMANDER
JOHN CRAMER
155 LINCOLN AVE.
HARBROUCK HEIGHTS, N. J.

BENJ. P. THOMAS
ADJUTANT-QUARTERMASTER
WAR MEMORIAL BLDG.
TRENTON, N. J., 08608

OFFICE OF

Dept. Legislative Officer

Irving E. Keith, Chairman and Members
Judiciary Committee of General Assembly,
General Assembly, State of New Jersey

Gentlemen,

Please be advised that the undersigned, Vincent L. Brinkerhoff, is the Legislative Officer for the Veterans of Foreign Wars of the United States, Department of New Jersey, representing a membership of 45,000 men and 10,000 ladies of its Auxiliary.

Our organization at its last Council of Administration meeting on April 19, 1964 unanimously adopted a resolution supporting Assembly Concurrent Resolution #4 calling for the operation of a State Lottery, the revenues from which shall be devoted to State institutions, State aid to Education, a VETERANS BONUS, and State and local highways and roads.

We are primarily interested in that section which calls for a Veterans Bonus, long overdue in New Jersey. Ours, being one of the few states in the Union that has ignored its veterans by withholding a bonus from them.

We strongly urge that this Resolution be released from your committee for action before the General Assembly.

My organization stands ready to support the movement of this Resolution through both Houses of the Legislature and at such time as it is presented to the voters as a Constitutional Amendment.

Yours truly,

Vincent L. Brinkerhoff

Vincent L. Brinkerhoff, Legislative Officer
Veterans of Foreign Wars, Dept. of N.J.
194 Arbor St.
Cranford, N.J.



SWEEPSTAKES COMMISSION
STATE OF NEW HAMPSHIRE
CONCORD, N. H.

April 21, 1964

COMMISSIONERS
HOWELL F. SHEPARD
CHAIRMAN
HENRY J. TURCOTTE
EDWARD SANEL, SR.

Mrs. Paul McG. Moffett
League of Women Voters of New Jersey
1261 Prospect Street
Westfield, New Jersey

Dear Mrs. Moffett:

In response to your letter of April 17, 1964, this is to advise that the first Sweepstakes race will be held at Rockingham Park on September 12, 1964. Sweepstakes tickets are presently on sale at \$3.00 each at State liquor stores and licensed race tracks. We still estimate that we will sell over 1½ million tickets for this first race. We keep no records as to the number of tickets sold to non-residents. While we still hope to net in the neighborhood of \$4,000,000 for public education during this first year, we are confident that this figure will be reached and possibly exceeded when we are selling tickets for two Sweepstakes races in succeeding years.

The Sweepstakes law authorizes a purse of \$200,000 as a total for two races. The Commission has established a purse of \$100,000 for the first race and Rockingham Park has added \$25,000. To these amounts will be added all of the fees paid by the horse owners. It is our intention to return to public education between 40% and 50% of the gross revenue, 30%-40%, depending on the number of tickets sold, will be paid in prizes, the balance for administrative costs, and possibly the 10% federal wagering tax. We have not received a ruling from Internal Revenue on this latter item as yet, although it is the contention of this Commission that the State of New Hampshire is not liable for this tax.

I trust the foregoing will be of some assistance to you in response to the questions asked by you.

Very truly yours,

Edward J. Powers
Executive Director

EJP:fh

Women's Christian Temperance
Union No.
Trenton, New Jersey

April, 28, 1964.

To:

The Hon. Truing E. Keith, Chairman
Assembly Judiciary Committee,
State House, Trenton, N. J.

Gentlemen:

With regard to the two bills scheduled for consideration on Thursday, April 30th, inst; i. e.

1. To allow off-track betting.

2. To create a State Lottery.

please give consideration to the following well-established facts:

1. Legalized gambling will not bring in the extra revenue needed by the State for running expenses, capital expenditures and for improving existing institutions.

2. Gambling opens the door to many forms of vice. It takes money away from legitimate business. It creates poverty. The only way to solve the financial problems of New Jersey is to reduce un-necessary expenditures as much as possible and to initiate a broad-based tax.

Very respectfully yours,

Sarah A. Bryan
President.

1202 Pennington Rd.
Trenton N. J.



Telephones

Church, EXPORT 3-1918
Residence, OWEN 5-6511

St. Paul Methodist Church

WEST STATE STREET AT FISHER PLACE • TRENTON 8, NEW JERSEY

JAY K. HELMS, TH. D., *Pastor*

101 Cornwall Avenue

April 29, 1964

The Honorable Irving Keith
Chairman, Assembly Judiciary Committee
State House
Trenton, New Jersey 08625

Dear Assemblyman Keith:

Attached to this letter is a statement by the Commission of Christian Social Concerns of St. Paul Methodist Church, Trenton, which I would like to have filed and included in the record of the Public Hearing to be held on Thursday, April 30, on ACR-2 and ACR-4.

Thank you for your consideration of this request.

Very truly yours,

S. Herbert Starkey
Chairman, Commission on
Christian Social Concerns

SHS/bk

STATEMENT FILED BY
COMMISSION ON CHRISTIAN SOCIAL CONCERNS
ST. PAUL METHODIST CHURCH, W. STATE AT FISHER PL., TRENTON, N.J.
FOR
LEGISLATIVE HEARING ON ACR-2 AND ACR-4
APRIL 30, 1964

The chief argument of the proponents of ACR-2 and ACR-4 is that people have an urge to take a chance; that they now gamble illegally and we should legalize it and carefully control it and at the same time pocket the revenue that comes from taxing gambling.

In practice, this is an illusion for (1) legalization extends both legal and illegal gambling; (2) increased tax revenues are offset by increased costs of administration, in crime control and in welfare assistance; (3) organized crime muscles into both legal as well as illegal gambling; and (4) legal gambling provides an unhealthy outlet for persons with psychological problems (about 5,000,000 compulsive gamblers).

Lotteries and off-track betting are antisocial economic liabilities. They will continually threaten the integrity of politics. The evidence of history, past and recent, is that corruption inevitably accompanies all forms of gambling. In England this year a soccer scandal has shocked the world. In the United States we have had our basketball and football scandals. Lotteries in early America gradually were eliminated because of corruption that gave most of the profits to the operators and little to the government. In Nevada, which has legalized gambling, the crime rate is the highest in the nation. Reno and Las Vegas employ police forces two or three times as large as most other cities of comparable size. Nevada has the highest suicide rate in the nation. Tax income in Nevada is siphoned off to control the crime and feed the corruption that accompanies gambling.

We urge the Judiciary Committee to take no action on either ACR-2 or ACR-4. Lotteries and off-track betting would be bad economics and bad politics as well as bad morals. They take wealth already produced by many and siphon it off for a few. It would be bad economics even if it were honestly conducted.

108 PARKER PLACE:

NEWARK, N.J.

MEMORANDUM: DIVISION OF FINANCE:

LEGISLATIVE COMMITTEE CHAIRMAN:

MR. SIR:

WE OF THE NEW JERSEY VETERANS TICKET COMMITTEE, WOULD APPRECIATE HAVING
A STATEMENT READ INTO THE RECORDS OF YOUR COMMITTEES HEARINGS ON OFF TRACK
BETTING AND A STATE LOTTERY::

AS FOLLOWS::

WE AS A COMMITTEE STATE WIDE MEET UP OF VETERANS OF ALL WARS INCLUDING
THE COLD WAR, SEND THIS RESOLUTION WHICH MAKES OUR STAIN VERY CLEAR AS TO
STATE LOTTERY OR OFF TRACK BETTING OR BOTH IN NEW JERSEY:

WE ARE NOT FOR A STATE LOTTERY, BUT WE DO FAVOR A NATIONAL LOTTERY,
WHICH WOULD SHOW ACTION EVERY FOUR MONTHS, TIED IN WITH SUCH HORSE RACES AS
THE KENTUCKY DERBY, THE PHILADELPHIA AND THE SAN ANITA HANICAP:: ALSO THAT EACH
OF OUR FIFTY STATES WOULD DEPRIVE FROM THE PURSE A PORTION, PERCENTAGE WISE,
OF ALL LOTTERY TICKETS SOLD IN THEIR STATE: WE ALSO SUGGEST THAT NATIONAL BANK
OR UNITED STATES POST OFFICES DISTRIBUTE THE TICKETS FOR CASH, SO MANY TO A
PERSON OR FAMILY:: THIS SORT OF NATIONAL LOTTERY WOULD CERTAINLY TAKE CARE OF
MONEY WANTS IN A NATIONAL WAY AND CERTAINLY HELP ON A STATE BASIS::

BY CREATING A STATE LOTTERY YOU ARE OPENING ANOTHER ANTERY TO GAMBLING
IN THE STATE OF NEW JERSEY, WHICH SHOULD NOT EXIST ON A STATE LEVEL, WE HAVE
HORSE RACING BOTH TROTTERS AND FLAT TRACK, LET US EXPLORE THEM BEFORE WE
VENTURE INTO NEW FIELDS, WE AS CITIZENS OF THESE UNITED STATES AS A WHOLE
SUPPORT ALL FOREIGN LOTTERIES WHO PLACE TICKET ON SALE IN THIS COUNTRY AND
WE ARE AWARE OF THE FACT THAT WE ARE BREAKING THE LAW, BUT WE STILL DO IT AND
OUR GOVERNMENT, IF YOU SHOULD BE A WINNER, DEDUCTS AT ONCE HIS TAX CUT, BUT DOES
NOT ARREST YOU, SO WHY BE HYPOCRITS LET THE GOVERNMENT CREATE ITS OWN LOTTERY
IN THIS COUNTRY AND PLACE THE PEOPLE ON THE HONEST SIDE OF LIFE, PLACE MONEY'S
AND JOBS ON THE AMERICAN SCENE::

WE DO FAVOR AND ALWAYS HAVE BEEN FOR OFF TRACK BETTING IN NEW JERSEY
AS A MEANS TO RAISE OUR CASH TO PAY THE VETERANS OF WORLD WAR TWO AND THE
KOREAN WAR VETERANS A BONUS, A BONUS WHICH IS WELL OVER DUE:: WE APPRECIATE THE
HEARING AND WE BELIEVE IT TO BE ON THE PROPER TRACK, AND WE DO FIND THE PUBLIC
CERTAINLY DOES AGREE WITH US VETERANS: WE HAVE TAKEN A SURVEY AND WE FIND THAT
ONE HUNDRED MILLION DOLLARS WOULD BE DERIVED FROM OFF TRACK BETTING EACH YEAR
FOR OUR STATE TREASURER:: WE ASK THAT FIFTY MILLION EACH YEAR WHICH IS JUST ONE
HALF OF THE COMPLETE AMOUNT BE SET ASIDE FOR THE WORLD WAR TWO AND THE KOREAN
WAR VETERANS, WE FEEL IN ELEVEN YEARS THE BONUS WOULD BE PAID OFF, AMOUNTING TO
TWO HUNDRED FIFTY MILLION DOLLARS:: WHEN THE BONUS IS PAID OFF, THE MONIES BY
AN ACT OF YOUR LEGISLATURES WOULD DIVERT BACK TO THE STATE TREASURER GENERAL
FUND, FOR DISTRIBUTION FOR HEALTH, EDUCATION AND HIGHWAYS::

WE FEEL AS THE LAW ENFORCING AGENCY'S OF THE STATE FEEL, THE UNDER-
WORLD THRIVES ON THE BOOKIES, IT KEEPS THEIR SYSTEM OF FREE AND EASY MONEY VERY
WELL ALIVE, AND THE POLICE ON THE HOP, GOING NO PLACE, THEY CLOSE EYES AND OPEN
THEIR, JUST A GREAT BIG MERRY GO AROUND, WITH NO END:: WE HAVE LOOKED INTO THE
MECHANICS OF OFF TRACK BETTING AND FIND IT COULD BE SET UP VERY EASILY AND IN
DOING SO WOULD EMPLOY MORE THAN 20,000 THOUSAND PERSONS AND THE ECONOMY OF THE
STATE WOULD JUMP:: WE FIND THAT A MACHINE THAT IS NOW BEING USED IN ENGLAND AND
ALL IN AMERICA, CAN CUT THE BOOKY VERY FAIRLY, IT IS A MACHINE WHICH ONLY
OPERATES AT THE BETTING COMMISSIONERS OFFICES, WHERE THE ODDS WOULD BE PAID OFF
THE TRACK INDICATES, THE LOWEST BET WOULD BE TWO DOLLARS, ONLY ADULTS ALLOWED
ENTER THE ESTABLISHMENTS, NO LIQUORS TO BE SOLD, NO YES AND SOFT DRINKS, THE
CHIEF WOULD TAKE SUCH BETS AS PARLEYS, ROUND ROBINS AND REVERSE PLAYS THIS
KIND OF BETTING CANNOT BE MADE AT THE TRACK AND COULD BE MADE AT THE BETTING
COMMISSIONERS OFFICE, THIS WOULD CERTAINLY PUT THE BOOKY OUT OF BUSINESS, THIS
KIND OF BETTING IT THRIVES ON, FURTHER WE SUGGEST A HOLDER OF SUCH A LICENSE
COULD BE BONDED FOR A HUNDRED THOUSAND DOLLARS, AND THE ATTORNEY GENERAL'S
OFFICE SHOULD BE IN COMPLETE CONTROL OF THE NEW ADVENTURE, EACH TRACK SHOULD
GIVE THEIR SHARE OF THE PROFITS, WHICH WOULD NOT INTERFERE WITH THE STATES
STATE TAKE::

MANY PEOPLE THINK THAT LEGAL GAMBLING IN ANY FORM IS RELATIVELY NEW IN AMERICAN LIFE, IT IS NOT; THE FOUNDLING FATHERS FAVORED AND PROMOTED LOTTERIES TO SECURE FUNDS FOR PUBLIC BUILDINGS, CHURCHES, BRIDGES, ROADS AND COLLEGES;

IN THE 18TH CENTURY LOTTERIES PROVIDED FUNDS TO REBUILD FANEUIL HALL, TO ALSO FORTIFY NEW YORK'S STRATEGIC SHORE LINE, TO CONTRACT A NEW STEEPLE ON THE CHRIST CHURCH IN PHILADELPHIA AND HELP FINANCE SUCH EDUCATIONAL INSTITUTIONS AS WILLIAMS, DARTMOUTH, YALE, HARVARD, AND KINGS COLLEGE (COLUMBIA UNIVERSITY) SUCH LOTTERIES WERE SUPPORTED BY GEORGE WASHINGTON, BENJAMIN FRANKLIN, AND JOHN HANCOCK;

AT PRESENT FIFTY COUNTRIES OPERATE OR PERMIT OFF-TRACK BETTING OR LOTTERIES; GERMANY, ENGLAND, FRANCE, LUXEMBOURG, BELGIUM, HOLLAND, ICELAND, GREECE, SWITZERLAND AND MANY OTHERS; IN SOME OF THESE COUNTRIES THE PROCEEDS AMOUNT TO MILLIONS OF DOLLARS, WHICH ARE TURNED OVER TO THE NATIONAL TREASURER, IN OTHER COUNTRIES THEY ARE DEVOTED TO SPECIFIC CAUSES, SUCH AS HOSPITALS, SCHOOLS, AND CHARITABLE INSTITUTIONS:: THERE IS EVIDENCE THAT LEGALIZED OFF-TRACK BETTING OR LOTTERIES HAVE GREATLY REDUCED ILLEGAL GAMBLING AND HAVE CONVERTED TO GOOD CAUSES MILLIONS OF DOLLARS::

LEGISLATION HAS MADE OFF-TRACK BETTING AND LOTTERIES ILLEGAL IN MOST STATES, BUT IT HAS NOT STOPPED AMERICANS FROM GAMBLING:: ESTIMATES OF HOW MUCH MONEY CHANGES HANDS THROUGH BETTING IN THIS COUNTRY IN A YEAR VARY FROM FIFTY BILLION DOLLARS UP, MAKING GAMBLING IN ONE FORM OR ANOTHER, THE BIGGEST WITHOUT DOUBT "INDUSTRY" IN AMERICA:: ABOUT A HUNDRED MILLION AMERICANS TRY THEIR LUCK AT GAMBLING IN THESE FORMS, RAFFLES, NUMBERS, BINGO, CARNIVALS, GAMES, DICE, HORSE RACING IN ALL FORMS, SPORTS IN GENERAL, AND PUNCH BOARDS:: THEN JUST REMEMBER LEGAL BETTING AT RACE TRACKS AMOUNTS TO ALMOST FOUR BILLION DOLLARS WHILE ILLEGAL OFF-TRACK BETTING TOTALS TENS OF BILLIONS OF DOLLARS, WE ALSO FIND THAT IN AMERICA 300,000 AMERICANS ARE ENGAGED IN THE ILLEGAL PRACTICE OF MAKING BOOK

ATTORNEY GENERAL KENNEDY CONTENTS THAT "ILLEGAL GAMBLING FINANCES FURTHER ACTIVITY'S OF THE RACKETEERS, PROSTITUTION, NARCOTICS, SHYLOCKING, AND ALL THE REST:: TOO OFTEN IT LEADS TO CORRUPTION OF POLICE AND OTHER PUBLIC OFFICIALS "

MANY PROTESTANTS BELIEVE THAT GAMBLING IS IMMORAL, ALTHOUGH THERE IS NO EXPLICIT PROHIBITION OF GAMBLING IN THE BIBLE::

CATHOLIC THEOLOGICALS TEACH THAT UNDER CERTAIN CONDITIONS, GAMBLING IS NOT IMMORAL; AS FOR A NATIONAL LOTTERY, THEY TEACH THAT IT IS NOT IMMORAL IF HONESTY IS OBSERVED IN CONDUCTING IT, IF THERE IS A REASONABLE PROPORTION BETWEEN THE AMOUNT CONTRIBUTED AND THE PRIZE, AND IF THERE ARE EFFECTIVE RESTRICTIONS TO PREVENT PEOPLE FROM UNDULY SQUANDERING THEIR MONEY::

WE CLOSE BY STATING THAT THE GAMBLING URGE OF AMERICANS WOULD BE SATISFIED IF THE INDIVIDUAL COULD GO TO A GOVERNMENT OPERATED OFFICE AND PLACE A BET OR TO THE POST OFFICE AND BUY A LOTTERY TICKET:: THIS WOULD WITHOUT A DOUBT FIND THE GANGSTER OR RACKETEERS WITH OUT THEIR MAJOR SOURCE OF INCOME, WHICH WOULD BE DIVERTED TO THE GOVERNMENT IN PLACE OF TAXES AND VARIOUS GOOD CAUSES AS A VETERANS BONUS::

THE SUBJECT IS WORTHY OF BEING PLACED ON A BALLOT AS A REFERENDUM TO THE PEOPLE OF NEW JERSEY FOR THEIR FINAL SAY AND LET THE CHIPS FALL WHERE THEY MAY;

THANKS FOR READING::

YOURS SINCERELY,

NEW JERSEY VETERANS TICKET COMMITTEE

Edward Simandl
EDWARD SIMANDL ACTING CHAIRMAN::

108 FALYAN PLACE:

NEWARK N.J.

16 Elizabeth Parkway
Eatontown, N. J. 07724
May 1, 1964

Assembly Judiciary Committee
State of New Jersey Assembly
Trenton, New Jersey

Gentlemen:

An Associated Press wire story printed in yesterday's Red Bank Register stated that you are conducting hearings on bills submitted by Assemblyman William V. Masto, D, Hudson, favoring legalized off-track betting and a state lottery.

This is to advise that this household is completely in favor of instituting state-controlled off-track betting and state-controlled lotteries.

The newspaper article quoted Reverend Samuel A. Jeanes, New Jersey Council of Churches, as being opposed to both measures for the reasons that they "are not realistic" and "represent a very shallow approach to a very serious problem." Certainly Reverend Jeanes is entitled to express his opinion. Unfortunately, however, the article did not include Reverend Jeanes' alternative proposals, as I'm sure--since he was critical of the bills--he must have a "realistic" approach of his own to offer.

Had our sturdy--and righteous--antecedents here in the State of New Jersey not believed in the value or properly controlled lotteries there might wllnever have been a Princeton University, or on the lower level, a Newark Academy, among other educational institutions so financed. For, as you must be aware, the State Legislature approved lotteries back in the 1700's. In fact, ⁱⁿ the 1740's, there was rather a counterpart-in-reverse of the Irish Sweepstakes in that the strict Presbyterian promoters of the lottery which financed Princeton experienced great response in Scotland as well as here!

Surely there must be other proponents of these measures, yet the public is told only the "anti" attitude. Could this possibly be a "tipping of the Committee's hand? I certainly hope not, for surely we are all entitled to vote on this matter.

Sincerely yours,

Marion G. Lally
Marion G. Lally

NATIONAL ASSOCIATION OF RETIRED CIVIL EMPLOYEES
MONMOUTH COUNTY CHAPTER # 411
ASBURY PARK, NEW JERSEY



Address Reply To 479 West St.,
No. Long Branch
N.J.

8 May 1964

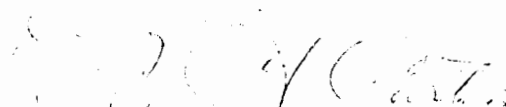
Honorable Irving E. Keith
Main & Lorraine Sts.,
Bradley Beach, N.J.

Dear Sir:

At a recent meeting of Monmouth County Chapter #411, National Association of Retired Civil Employees, at Asbury Park, N.J., a RESOLUTION was adopted to the effect that members are opposed to a Broad Base Tax and an Income Tax for the State of New Jersey. They are, however, in favor of a Legalized Lottery Plan. The consensus of opinion of our Chapter, consisting of over one hundred members, is that a State Income and Broad Base Tax would continue indefinitely and would work hardship on retired individuals in the lower income bracket, whereas Legalized Lottery would enable the State to raise adequate funds for its needs.

With kindest regards from the members of our Chapter, I am

Sincerely yours,


(Mrs.) Eileen G. Curtis
Secretary, Ch. #411 NARCE

1. *Chrysomelidae*
 2. *Chrysomelidae*
 3. *Chrysomelidae*

April 30, 1964

2 #

There is strong evidence, as in London, that admitted gambling facilitates corruption, at least as to several purchases and makes for poor credit risks.

Let the people decide! They did not decide in electing their legislators in whom they have confidence.

Legislators should not abdicate when legislation concerns the personal affections and desires of people and those known to be negative. Progress is not made the "family" way.

The son we lost in Korea did not create the potential painful way in favor of a family way to serve his country and the free people of the world.

Our great State, in my opinion, will not improve the character or well being of its citizens by offering them a so called "family" way to exercise their rights, privileges and obligations of citizenship.

For these reasons I urge you to accept the responsibility of making the decision whether the legislature, not to submit and surrender the decision to the citizens, but to make the decision as the elected legislators to whom they entrusted this authority.

Sincerely,

Thomas W. Smith

MRS. FLOYD E. SODEN
59 Cypress Street
Long Branch, N. J.

59 Cypress St
Long Branch, N. J.
May 2, 1964

Mr. Irving E. Keith
State House
Trenton N. J.

Dear Sir

I have just finished reading an article in
the Long Branch Daily Record in regards to a
State Lottery or Off track betting.

Both my husband and myself are in favor of a
state lottery and feel the people should be given
a chance to vote on this question as soon as
possible.

Therefore feel that the committee should give a
favorable report so that other necessary steps could
be taken so this matter could be placed on the
November 1964 ballot.

Yours Truly
Beatrice E. Soden
(Mrs. Floyd Soden)

George L. Pinkham
1025 17th Ave.
Belmar, N. J. 07718

1025-17th Ave.

W. Belmar, N. J.

May 2, 1964

Assemblyman Irving E. Keith
State House
Trenton, N. J.

Dear Mr. Keith: -

There are more valid reasons favoring
a state Lottery than there are opposing it.
The proponents outnumber the opponents by
a wide margin. The public should be
given the opportunity to express their
desire by voting on a referendum. I
sincerely hope that your recommendation
will favor a state Lottery and that
you will do everything in your power
to persuade the Legislature to pass
a Lottery Bill.

Sincerely yours

George L. Pinkham

✓
West Belmar Methodist Church

SEVENTEENTH AVENUE AT "I" STREET
WEST BELMAR, N. J.

THE PARSONAGE
1006 17TH AVENUE
MUTUAL 1-4419

Dear Mr. Keith,

I want to voice my
concern and strong opposition
to the proposed state
lottery and off track betting.
Some persons can afford
gambling costs but many can't
and this is a poor way of
financing government. The public
will accept a sales or income tax
if some party has the courage
to propose it. Sincerely,

82-a

Rev Richard Selver

1807 Crobard Ave.
Trenton 10, N. J.
April 28, 1964

The Hon Irwing E. Keith, Chairman
Assembly Judiciary Committee
State House
Trenton, N. J.

My dear Mr. Keith:

We would like to go on record to opposing off-track betting. We believe it opens the door to more vice and creates poverty, since the very people who should not gamble do, and this makes it much easier for them to do it. Their families and children suffer.

Very truly yours,

Grady Morris
Harold N. Morris

May 2, 1964

Hon. Irving E. Keith:

Have spent hundreds of dollars on all kinds of tickets, ones I would never have a chance of winning. For thirty years or more I got Irish Sweepstakes tickets. One church in one year I had a hundred dollars trying to get a car.

Here is a bunch of churchgoers I know. They buy, sell tickets of all kinds. Why not let N. J. make a few dollars.

We need money for schools and hospitals. In order to go to a hospital you must have good backing or you can't even get into or near a hospital.

The doctors are so, they want to know every cent you have. Our Governor is on the way out. This is his first and last term in Trenton. Do not hear one man who speaks good of him. If he acts on a state lottery it might help him a little but not much. I work with sixty-five men and women and they all buy tickets of some kinds. This is what gets me, the would-be people who go to church who say they are so good, are, and are the kind that don't pay their bills and the kind I don't have around. I have more respect for a man that doesn't go to church and still believes in God and man.

We want night racing and a state sweepstakes. There are a lot of good people who don't want nothing to do with gambling in bars and pool halls. Let us gamble legal but just let us help N. J. We could make around \$150 million a year if not more.

I have been around, and have seen plenty of money going into the bookies pockets. Lock one up and ten more will spring right up. Big bookies agree with church people No legal betting of any kind is their motto. If N. J. does not have a sweepstakes N. H. can always depend upon me. Why lie. I tell people what I am going to do.

Walter Parker
1588 Hart St.
Rahway, N. J.

ASSEMBLY CONCURRENT RESOLUTION No. 2

STATE OF NEW JERSEY

INTRODUCED JANUARY 20, 1964

By Assemblyman MUSTO

Referred to Committee on Judiciary

A CONCURRENT RESOLUTION proposing to amend Article IV, Section VII, paragraph 2, of the Constitution, of the State of New Jersey.

1 BE IT RESOLVED *by the General Assembly of the State of New Jersey (the*
2 *Senate concurring)*:

1 1. The following proposed amendment to the Constitution of the State of
2 New Jersey is hereby agreed to:

PROPOSED AMENDMENT

3 Amend Article IV, Section VII, paragraph 2, to read as follows:

4 2. No gambling of any kind shall be authorized by the Legislature unless
5 the specific kind, restrictions and control thereof have been heretofore sub-
6 mitted to, and authorized by a majority of the votes cast by, the people at a
7 special election or shall hereafter be submitted to, and authorized by a ma-
8 jority of the votes cast thereon by, the legally qualified voters of the State
9 voting at a general election, except that, without any such submission or
10 authorization;

11 A. It shall be lawful for bona fide veterans, charitable, educational, re-
12 ligious or fraternal organizations, civic and service clubs, volunteer fire
13 companies and first-aid or rescue squads to conduct, under such restrictions
14 and control as shall from time to time be prescribed by the Legislature by
15 law, games of chance of, and restricted to, the selling of rights to participate,
16 and the awarding of prizes, in the specific kind of game of chance sometimes

17 known as bingo or lotto, played with cards bearing numbers or other designations, 5 or more in one line, the holder covering numbers as objects, similarly numbered, are drawn from a receptacle and the game being won by the person who first covers a previously designated arrangement of numbers on such a card, when the entire net proceeds of such games of chance are to be devoted to educational, charitable, patriotic, religious or public-spirited uses, in any municipality, in which a majority of the qualified voters, voting thereon, at a general or special election as the submission thereof shall be prescribed by the Legislature by law, shall authorize the conduct of such games of chance therein.

27 B. It shall be lawful for the Legislature to authorize, by law, bona fide veterans, charitable, educational, religious or fraternal organizations, civic and service clubs, volunteer fire companies and first-aid or rescue squads to conduct games of chance of, and restricted to, the selling of rights to participate, and the awarding of prizes, in the specific kinds of games of chance sometimes known as raffles, conducted by the drawing for prizes or by the allotment of prizes by chance, when the entire net proceeds of such games of chance are to be devoted to educational, charitable, patriotic, religious or public-spirited uses, in any municipality, in which such law shall be adopted by a majority of the qualified voters, voting thereon, at a general or special election as the submission thereof shall be prescribed by law and for the Legislature, from time to time, to restrict and control, by law, the conduct of such games of chance, and

40 C. It shall be lawful for the Legislature to authorize, by law, the receipt, transmission and withdrawal of moneys, to be wagered in the pari-mutuel machines of the running and harness race tracks within the State, at such locations outside such race tracks as may be licensed by the State and within any municipality in which such law shall be adopted by a majority of the voters, voting thereon, at a general or special election as the submission thereof shall be prescribed by law and for the Legislature, from time to time, to re-

47 strict and control, by law, the conduct of such receipt, transmission and with-
48 drawal of moneys.

1 2. When this proposed amendment to the Constitution is finally agreed
2 to, pursuant to Article IX, paragraph 1 of the Constitution, it shall be sub-
3 mitted to the people at the next general election occurring more than 3
4 months after such final agreement and shall be published at least once in at
5 least one newspaper of each county designated by the President of the Sen-
6 ate and the Speaker of the General Assembly and the Secretary of State,
7 not less than 3 months prior to said general election.

1 3. This proposed amendment to the Constitution shall be submitted to
2 the people at said election in the following manner and form:

3 There shall be printed on each official ballot to be used at such general
4 election, the following:

5 1. In every municipality in which voting machines are not used, a legend
6 which shall immediately precede the question, as follows:

7 If you favor the proposition printed below make a cross (X), plus (+)
8 or check (✓) in the square opposite the word "Yes." If you are opposed
9 thereto make a cross (X), plus (+) or check (✓) in the square opposite the
10 word "No."

11 2. In every municipality the following question:

	Yes.	Shall the proposed amendment to Article IV, Section VII, paragraph 2, of the Constitution, authorizing the Legislature to provide, by law, for off-track betting in the pari-mutuel machines of the New Jersey race tracks in those municipalities wherein such law shall be adopted by a majority of the voters, voting thereon in such municipalities, at a general or special election, be adopted?
	No.	

STATEMENT

This resolution proposes an amendment to the Constitution to authorize the Legislature, by law, to permit off-track betting on the races held at the licensed

New Jersey tracks in such municipalities which, by referendum, approve of such off-track betting within their borders.

Illegal gambling is a multi-billion dollar business in the United States taking much and giving little to the participants, yet it illustrates the basic desire of a large segment of the population to risk a small amount to gain a sizable one.

New York studies have determined that off-track betting, even in its present illegal state, is 3 times as great as on-track betting. During the regular 1962 racing session, \$324,105,214 was wagered at the New Jersey tracks. On the basis of this 3 to 1 ratio, it is estimated that nearly a billion dollars was wagered illegally in New Jersey last year alone, with the profits lining the pockets of the bookies and the criminals who operate the gambling syndicates.

Realistically, we know that anyone can place a horse racing bet without the necessity of being at the track. In fact, most of the betting is done this way.

In view of the fiscal problems being faced by this State in order to meet the expanding needs of the public, particularly in the areas of education, highways and welfare, and the great burden already placed on the taxpayer, it seems incongruous that these great sums in potential revenue should be permitted to flow to underworld elements instead of being tapped for legitimate State purposes. The additional State revenue that would accrue from this source has been conservatively estimated at \$75 million annually.

Today, Nevada has legalized "off-track" betting. In addition, many foreign countries, including Great Britain, France, New Zealand, Norway, Poland, Portugal, Sweden and Switzerland, have had legalized betting for many years. Both New York State and New York City have considered this subject in great depth. This past year the voters of New York City voted overwhelmingly to authorize a commission to formulate a plan for off-track betting. The experience and information available from these jurisdictions show that a system of off-track betting is feasible, practical, relatively trouble-free, has a high revenue-raising potential and is worthy of submission to the people of this State for approval or disapproval.

On 5 separate occasions since 1939, the people of New Jersey have overwhelmingly approved legalization of various forms of gambling. On-track betting was approved by the voters almost 25 years ago and has been operated since that time without a taint of scandal. On the basis of this experience, it is clear that the majority of the people do not view State-controlled legalized gambling as immoral, particularly when the proceeds are used for worthy purposes.

Efforts of law enforcement officials to curb off-track betting have proved ineffective. Effective law enforcement is impossible without public support. The prohibition of off-track betting not only lacks public support but, like the experiment in the prohibition of alcoholic beverages, is openly violated by large segments of the population. Legalization of off-track betting will go far toward eliminating illegal bookmakers and allow the police and courts to concentrate their efforts on more serious areas of law enforcement.

Although opponents of off-track betting emphasize the harmful social and economic consequences of legalization, it is believed that no deleterious change will take place because those who want to bet, and will bet, already do bet. In a report published in October, 1963, a New York City-fact-finding team reported that legalization of off-track betting in New Zealand, Australia, England and France had no effect on consumer purchases generally, has not been a factor in any rise or fall in the rate of consumer credit defaults and "had no effect either on the number of people receiving welfare assistance or on the amounts paid out in such assistance."

Technical experts have established that an off-track pari-mutuel system is mechanically and economically feasible. The purpose for legalizing this form of gambling is worthy. The people should now have the right to vote on this issue.

FISCAL NOTE TO

ASSEMBLY CONCURRENT RESOLUTION No. 2

STATE OF NEW JERSEY

DATED: APRIL 8, 1964

Assembly Concurrent Resolution No. 2 proposes an amendment to Article IV, Section VII, paragraph 2, of the State Constitution to authorize the Legislature to permit off-track betting.

There is no real precedent in this country to guide an estimate of the revenues that might accrue to the State Treasury from legalized off-track betting.

Off-track betting has been approved in Nevada, but the limited experience and the quite different climate relating to gambling in that State make it practically impossible to use their results as a basis of comparison with the possibility in New Jersey. Several of the foreign countries have had legalized off-track betting for many years and have well-developed systems in this area. However, the economics of these countries and their procedures do not readily permit of comparison.

As a conservative estimate, the additional State revenue accruing from off-track betting would be in the neighborhood of \$75,000,000.00 annually.

There can be no firm estimate on the total administrative costs, since there is no plan developed, but an appropriation of \$10,000.00 would likely be sufficient to initiate the administrative procedures. The administrative costs would be deducted directly from the revenues.

In compliance with written request received, there is hereby submitted a fiscal estimate for the above Bill, pursuant to P. L. 1962, c. 27.

ASSEMBLY CONCURRENT RESOLUTION No. 4

STATE OF NEW JERSEY

INTRODUCED JANUARY 20, 1964

By Assemblymen MUSTO and KIJEWski

Referred to Committee on Judiciary

A CONCURRENT RESOLUTION proposing to amend Article IV, Section VII, paragraph 2, of the Constitution of the State of New Jersey.

1 BE IT RESOLVED *by the General Assembly of the State of New Jersey*
2 *(the Senate concurring):*

1 1. The following proposed amendment to the Constitution of the State
2 of New Jersey is hereby agreed to:

PROPOSED AMENDMENT

3 Amend Article IV, Section VII, paragraph 2, to read as follows:

4 2. No gambling of any kind shall be authorized by the Legislature unless
5 the specific kind, restrictions and control thereof have been heretofore sub-
6 mitted to, and authorized by a majority of the votes cast by, the people at
7 a special election or shall hereafter be submitted to, and authorized by a
8 majority of the votes cast thereon by, the legally qualified voters of the
9 State voting at a general election, except that, without any such submission
10 or authorization;

11 A. It shall be lawful for bona fide veterans, charitable, educational, re-
12 ligious or fraternal organizations, civic and service clubs, volunteer fire
13 companies and first-aid or rescue squads to conduct, under such restrictions
14 and control as shall from time to time be prescribed by the Legislature by
15 law, games of chance of, and restricted to, the selling of rights to partici-
16 pate, and the awarding of prizes, in the specific kind of game of chance some-
17 times known as bingo or lotto, played with cards bearing numbers or other

18 designations, 5 or more in one line, the holder covering numbers as objects,
19 similarly numbered, are drawn from a receptacle and the game being won
20 by the person who first covers a previously designated arrangement of
21 numbers on such a card, when the entire net proceeds of such games of
22 chance are to be devoted to educational, charitable, patriotic, religious or
23 public-spirited uses, in any municipality, in which a majority of the qualified
24 voters, voting thereon, at a general or special election as the submission
25 thereof shall be prescribed by the Legislature by law, shall authorize the
26 conduct of such games of chance therein.

27 B. It shall be lawful for the Legislature to authorize, by law, bona fide
28 veterans, charitable, educational, religious or fraternal organizations, civic
29 and service clubs, volunteer fire companies and first-aid or rescue squads to
30 conduct games of chance of, and restricted to, the selling of rights to par-
31 ticipate, and the awarding of prizes, in the specific kinds of games of chance
32 sometimes known as raffles, conducted by the drawing for prizes or by the
33 allotment of prizes by chance, when the entire net proceeds of such games
34 of chance are to be devoted to educational, charitable, patriotic, religious or
35 public-spirited uses, in any municipality, in which such law shall be adopted
36 by a majority of the qualified voters, voting thereon, at a general or special
37 election as the submission thereof shall be prescribed by law and for the
38 Legislature, from time to time, to restrict and control, by law, the conduct of
39 such games of chance, and

40 C. It shall be lawful for the Legislature to authorize the conduct of
41 State lotteries restricted to the selling of rights to participate therein and
42 the awarding of prizes by drawings when the entire net proceeds of any such
43 lottery shall be for State institutions, State aid for education, for the purpose
44 of defraying the costs to the State of payment of a bonus to veterans of wars
45 and emergencies, or for State, county, and local roads.

1 2. When this proposed amendment to the Constitution is finally agreed to,
2 pursuant to Article IX, paragraph 1 of the Constitution, it shall be submitted
3 to the people at the next general election occurring more than 3 months after
4 such final agreement and shall be published at least once in at least one news-

5 paper of each county designated by the President of the Senate and the
6 Speaker of the General Assembly and the Secretary of State, not less than
7 3 months prior to said general election.

1 3. This proposed amendment to the Constitution shall be submitted to the
2 people at said election in the following manner and form:

3 There shall be printed on each official ballot to be used at such general
4 election, the following:

5 1. In every municipality in which voting machines are not used, a legend
6 which shall immediately precede the question, as follows:

7 If you favor the proposition printed below make a cross (X), plus (+)
8 or check (✓) in the square opposite the word "Yes." If you are opposed
9 thereto make a cross (X), plus (+) or check (✓) in the square opposite the
10 word "No."

11 2. In every municipality the following question:

	Yes.	Shall the amendment of Article IV, Section VII, paragraph 2, of the Constitution, agreed to by the Legislature authorizing the conducting of State lotteries by the selling of rights to participate therein and the awarding of prizes by drawings, when the entire net proceeds of any such lottery shall be used for State institutions, State aid for education, for the purpose of defraying the costs to the State of payment of a bonus to veterans of wars and emergencies, or for State, county, and local roads, be adopted?
	No.	

STATEMENT

Conventional methods of taxation have reached a level which has evoked increasing public resistance to increase in taxes, yet the need for additional revenue confronts legislative bodies annually. The programs requiring these additional expenditures are mainly in the field of public welfare, public roads and education, ones which cannot lightly be set aside.

Throughout recorded history governments have recognized the presence of some measure of the gambling instinct in many of their citizens and have turned to lotteries as a source of revenue.

Our colonial ancestors in all 13 colonies established and operated lotteries for many purposes: schools, colleges, churches, bridges, docks, canals, turnpikes, poor relief, and government buildings. The practice was continued by various State Legislatures until almost the end of the nineteenth century.

Today we are familiar with the Irish Sweepstakes and the football pools in Great Britain, while a lesser known lottery in Puerto Rico nets the government \$90,000.00 per week.

Last year, New Hampshire enacted legislation authorizing a state lottery. Revenues anticipated from this source, estimated at approximately 4 million dollars annually, are earmarked for state aid to education.

New Jersey, in 1962, netted \$30,000,000.00 from racing and larger profits from the tracks went to private individuals, yet few would recommend the discontinuance of racing. In recent years we have authorized bingo and raffles for charitable purposes based on a referendum approved by a majority of the electorate. It is evident, therefore, that the public does not condemn gambling per se, if it is for a worthy cause.

Illegal gambling, on the other hand, is a multi-billion dollar business in the United States taking much and giving little to the participants, yet it illustrates the basic desire of a large segment of the population to risk a small amount to gain a sizable one. Surveys have shown a majority of people to be in favor of limited gambling, and it is estimated that over half the nation's adults have broken laws against gambling providing, in the main, tremendous profit for an unsavory element of the population.

In almost every instance, the establishment of legal, government-sponsored lotteries has provided an outlet for the gambling urge and protected the bettor against being cheated; it has guaranteed the honesty of the operation and merely transferred the profits from the hoodlum element to the public benefit.

It is the purpose of this resolution, therefore, to provide authority by constitutional amendment for State lotteries dedicated to the support of public welfare, public roads, education, and for the payment of a veterans' bonus.

FISCAL NOTE TO
ASSEMBLY CONCURRENT RESOLUTION No. 4

STATE OF NEW JERSEY

DATED: APRIL 8, 1964

Assembly Concurrent Resolution No. 4 proposes an amendment to Article IV, Section VII, paragraph 3 of the State Constitution, to permit the Legislature to authorize State lotteries with the entire proceeds for State institutions, State aid for education, a veteran bonus, or State, county and local roads.

There is no precedent on which to make an estimate of the revenues which might accrue from the establishment of a legal, State-sponsored lottery. New Hampshire is the only State in the union where such a lottery exists, and its experience is only beginning. However, the Executive Director of the New Hampshire Sweepstakes Commission recently reported:

"While it is not possible to definitely state the amount of net revenue that will be derived, we are convinced that it will be substantial. We expect to sell over 2,000,000 tickets during our first five months which should realize a net of at least \$3,000,000.00. When we are selling tickets for two Sweepstakes races in 1965 and subsequent years, the revenue will be more substantial. It is our opinion that the program will provide between \$16,000,000.00 and \$20,000,000.00 over a three-year period. We have already sold over 80,000 Sweepstakes tickets since March 12."

As a conservative estimate, the additional State revenues accruing to New Jersey from a legal State-sponsored lottery would be in the neighborhood of \$50,000,000.00.

There can be no firm estimate on the total administrative costs, since there is no plan developed, but an appropriation of \$10,000.00 would likely be suffi-

cient to initiate the administrative procedures. The administrative costs would be deducted directly from the revenues.

In compliance with written request received, there is hereby submitted a fiscal estimate for the above Bill, pursuant to P. L. 1962, c. 27.

WRITTEN STATEMENT ON ACR-2 AND ACR-4

by

William V. Musto (Assemblyman, Hudson County)

before

General Assembly Committee on the Judiciary

April 30, 1964

I am William V. Musto, Assemblyman from Hudson County. I am a sponsor of Assembly Concurrent Resolutions Number 2 and Number 4 of this year. Assemblymen Werner, Kijewski, Sweeney and Bressler are co-sponsors of ACR-4.

First, I want to thank the Committee for calling this public hearing on these two proposals, which I have advocated for a number of years. They are subjects, I believe, which should be discussed publicly and I commend the Committee for affording the public this opportunity to do so.

As you may know, I have introduced for many years resolutions proposing constitutional amendments to authorize a State lottery and off-track betting. I am convinced they are right for the State of New Jersey and for its people. Every year, I see added support for these proposals and I shall continue to introduce similar resolutions until this Legislature is convinced to let the people decide.

Today, I want to place on the record my reasons why these 2 resolutions, authorizing a State lottery and off-track betting, should be passed by the Legislature.

When New Jersey's voters last November rejected the proposed \$750 million bond issue for financing various State needs, it was by no means a protest that the needs do not exist. On the contrary, almost all of the organizations which united to oppose the bond plan acknowledged that New Jersey must soon find substantial additional revenues to meet the cost of vital building programs and other services.

The groups which organized to oppose the bond proposal, however, were largely divided on the question of how best to raise the needed funds; they were united only in their conviction that the bond plan was not the best way.

Thus the fundamental question -- how to obtain more money for institutions, schools, highways and other purposes -- remains unresolved.

Furthermore, there appears to be little likelihood that agreement can be reached in the near future to translate into legislative action any of the alternative suggestions most often advanced to resolve the perplexing question of where to get the money. It has been difficult enough even to devise emergent measures to meet New Jersey's constitutional mandate of a balanced budget, much less to provide for long-term capital expenditures.

What are the alternatives most often discussed? First and foremost is a so-called broad based tax, but even here the proponents are sharply divided among themselves. Some favor a State income tax, others a sales tax; some would tie either a sales or income tax to a direct reduction of local property taxes, and others would dedicate the revenues to a specific purpose, such as school aid.

To many others a broad based tax of any kind is unthinkable; they prefer instead a number of small bond issues, each for a specific need. But any bond issue, however small, must be supported by revenue to pay interest and principal. Here again, those who advocate this course appear to be hopelessly divided. Is gasoline to be taxed anew? Cigarettes? Soft drinks or hard liquor and beer? A larger "bite" on the race tracks, perhaps to the point where the law of diminishing returns must inevitably set in? A direct consumer tax on utilities? You name it -- for each specific proposal there is an advocate, but for each advocate there are a dozen others opposed for one reason or another.

More than ever before, it is my firm conviction that New Jersey should look in an entirely different direction for the way out of this fiscal impasse. A state lottery or off-track betting, or both, provide a simple, effective and painless way out of our difficulties and at the same time offer at least a partial remedy to the serious social evils growing out of illegal gambling.

Recent events in two nearby States have strengthened my convictions in this regard.

On the same day the voters of this State were turning thumbs down on the \$750 million dollar bond plan, our neighbors in New York City voted overwhelmingly for legislative consideration of off-track betting. They voted so decisively, in fact, that their expression is generally regarded as a mandate to the New York Legislature to act without further delay.

A few months earlier, the State Legislature of New Hampshire voted to set up a State lottery, somewhat similar to the Irish Sweepstakes. This sweepstake is now in operation and all early indications are that it will prove far more successful than its most ardent supporters anticipated.

In any discussion of a State or national lottery, it is a foregone conclusion that three objections will be offered as positive proof that the whole idea ought to be discarded.

The fact that none of the three points stands up under close examination seems to make no difference. They are trotted out time and time again, usually in this order:

1. A lottery is immoral.
2. It imposes a burden on those least able to pay.
3. The experience in Louisiana -- where the last legal lottery in the United States was conducted -- is proof that the scheme won't work in this country.

Let's take a good look at each of these arguments.

Is a lottery immoral? Nothing in history, or in the current expression of public opinion, indicates that it is.

decided by lot. Roman emperors used lotteries to finance building projects, and from the fifteenth century on they have been commonplace in Europe. They were introduced into America from England during the seventeenth century, and George Washington was a frequent, and apparently successful, investor in lottery tickets. Columbia University was founded on the proceeds of a lottery and some of the early Harvard buildings were financed in this way. In our own State, both Rutgers and Princeton were aided by lotteries at one time or another.

Many churches have been founded with money derived from lotteries, and today raffles and other games of chance are an important source of revenue to many churches and charitable institutions.

Americans by the thousands participate in the Irish Sweepstakes. Illegal? Yes, but certainly not immoral in the eyes of the participants.

In our own State, on every single occasion when the people have been asked to express themselves on the liberalization of gambling, they have voted affirmatively.

In 1939, the people of New Jersey voted, better than 3 to 2, in favor of pari-mutuel betting.

In 1947, the people of this State approved our new Constitution by a vote of better than 5 to 1, including its gambling provisions: one, continuing the authorization of pari-mutuel betting approved in 1939; and the second, providing that no form of gambling can be authorized unless approved by the people in a general referendum.

In 1953, the people of this State voted, better than 5 to 2, in favor of a constitutional amendment authorizing the conduct of bingo and raffles by non-profit organizations for educational, charitable, patriotic, religious or public-spirited uses, subject to approval by local referendum.

In 1959, the people voted 3 to 2 for the adoption of our Amusement Games Licensing Law, which permits the conduct of games of chance at amusement

parks and seashore resorts, subject to approval by municipal referendum.

In 1961, our people voted, better than 5 to 3, to extend the 1959 Amusement Games Licensing Law to agricultural fairs.

In every one of these instances where the people had an opportunity to express their choice, they voted overwhelmingly for legalized gambling under strict State control.

The individuals comprising the majority in each of these instance based their approval, in part, on a number of considerations other than morals. But, I submit, the moral issue was inescapable and the most important. The only conclusion I can draw from the heavy vote in favor of legalizing these betting, gaming and lottery proposals is that the large majority of the people of New Jersey do not view gambling under State control and supervision, within certain limits and where the profits are used for public and worth-while purposes, as immoral. In the 1959 and 1961 referenda, the people went even further; there they expressed their approval of certain games of chance conducted for private profit at amusement parks and seashore resorts. In those instances, some voted to preserve the economic well-being of their communities, but the general approval of these proposals in communities not directly affected clearly indicates to me a general and popular acceptance of legalized gambling under State control and supervision on moral grounds, as well as others.

Our experiences during the past quarter century also support my belief that legalized gambling under these sanctioned conditions meet with the approval of the people.

Last year alone, 36,356 bingo games and raffles were conducted by 10,391 organizations in this State for a gross profit of \$43,312,430. to those veterans', charitable, educational, religious and fraternal groups. In those 9 years, there has been no evidence of fraud or abuse of any sort.

Pari-mutuel betting at our 4 tracks continues to grow in popularity. Last year, the total attendance rose to almost 3.5 million, the total amount

wagered to more than \$324 million, and the State revenues to almost \$29.5 million. In the 22 years of pari-mutuel betting in New Jersey, the State has received \$332.3 million in revenues. As with the conduct of bingo and raffles, State supervision of pari-mutuel betting has been excellent and there has been no breath of scandal or wrong-doing.

During the past 10 years several public opinion polls have been taken. Everyone of these revealed that a majority of the people favored the legalization of a government-operated lottery.

On frequent occasions I have expressed my reasons why a State lottery, properly conducted and directed by the State, can provide a substantial source of revenue to support essential public services and at the same time provide a safe, moderate and fair outlet for the inclination of a large segment of our population to participate in such ventures. I firmly believe, as I have explained many times, that such a lottery can be properly conducted and supervised in this State to preclude the dangers popularly invoked in the arguments of its opponents.

The most persistent and vocal of the opponents to my proposal for a State lottery base their opposition on moral grounds. Gambling in all forms and shapes is immoral, they claim, and therefore any proposal to extend the present legalization of gambling should be defeated.

But what is "moral" and what is "immoral"? To me, something is "moral" or "immoral" when it conforms or fails to conform to one's principles or standards of what is right or wrong, and good or bad. Something is "moral" to a person when it is sanctioned by his conscience or ethical judgment; it is "immoral" when it runs counter to his conscience or ethical judgment. All of this connotes a personal judgment. What may be moral to one may be immoral to another.

Participation in a State lottery, no matter how carefully or for what purposes it is conducted, would violate the moral standards of some. Their right to refuse to participate and their right to urge others to believe as they do is, and should be, guaranteed under all conditions.

The conduct of a State lottery, without personal participation, would violate the personal and moral standards of some. And they should, and do, have

every right to oppose such a lottery.

I believe, however, that our experience in this State clearly indicates that a majority of the people of this State do not view a government-directed lottery as immoral. I believe that the majority of the people do not consider lotteries, per se, morally objectionable. Rather, they consider morally objectionable, and rightly so, all lotteries, as well as all other forms of gambling, when carried to excess, when used immoderately, when fraudulently conducted or when there is no reasonable proportion between the cost of participation and the prize to be gained.

Our 1947 Constitution wisely provided that no form of gambling can be authorized by the Legislature unless it is submitted to, and approved by, the people at a general election. A State lottery, therefore, can be authorized either by a law approved by the people or by a constitutional amendment which, of course, must also be approved by the people.

Our Constitution does not provide for popular initiative either in proposing new legislation or constitutional amendments. They must originate in the Legislature.

I believe that a majority of our people are in favor of a publicly-operated lottery on moral grounds, as well as other grounds. They should be given the opportunity to express this opinion on a formal proposal. The will of the majority should not be denied by the wishes of a vocal minority.

Does a lottery impose an unfair burden on those least able to pay?

In the first place, no one is obligated to participate in a lottery. In the second place, in this day and age, there are few among us who could not afford two or three dollars once or twice a year for the purchase of a lottery ticket.

Consider one other fact. If the alternative to a lottery is to be a sales tax, the same people least able to pay will be compelled to pay in taxes many times more than the meager amount they might voluntarily invest in a lottery.

This brings us to the third of the principal objections voiced by the anti-lottery people -- the experience in Louisiana.

There is no question that the Louisiana lottery constituted an abuse.

The practices of the private operators of the lottery amounted to fraud, and it was abolished in 1893. But is this to say that in 1964 we are incapable of conducting an honest lottery? Congressman Paul A. Fino, the sponsor of a national lottery, has summed it up well:

"There can be no doubt of the fact that many lotteries were blatantly misused So were many banks and corporations. It would be eminently unfair to single out the lottery as the financial monster of the period, for lottery operations in that era, like banking and corporate operations, were the approximate products of rather unseemly times. Banks and stock companies ... have since demonstrated their ability to develop sound management techniques and responsible forms of operation. Lotteries, however, have never had an opportunity in the United States to mature with the times."

Are we to say now that we are less capable of conducting an honest lottery than the Irish, the Spaniards, the Japanese, the Mexicans, the French, the Danes and many others? Are we to be forever plagued by the corruption of a corrupt era?

I think not. And at least one State legislature, that of New Hampshire, agrees with me.

The American public, according to a report of a United States Attorney General's Special Group on Organized Crime, spends 47 billion dollars a year on all forms of illegal gambling, a figure larger than our entire national defense budget.

Even more startling, perhaps, is the statement in the same report that about one-half of the net from this illegal activity, or about $4\frac{1}{2}$ billion dollars, is paid as "protection money".

How complacent can we be when we contemplate an illegal and tax free industry paying out \$12,329,000 a day, or \$513,000 each hour of each day, 365 days a year, to carry on its activities?

The observations of the former Executive Director of the Maryland Crime Investigating Committee are pertinent:

"The basic difficulty arises from the widespread human instinct to gamble. This furnishes an easy avenue for criminal elements to engage in organized crime and reap tremendous profits therefrom. To prohibit gambling is simple; to enforce the prohibition of gambling raises problems similar to those confronting us in the days of the Prohibition Amendment.

"No matter how vigorous the attempt to stamp out the criminality that necessarily flows from absolute prohibition of gambling, the problem over the years has continued to grow. The vigilance of our honest prosecuting and law enforcement officials cannot eliminate the problem. It is time to face the problem realistically."

Now I think that I am enough of a realist to know that the establishment of a State lottery will not cure all our ills. It will not produce all the money we need for the operation of the State government. Neither will it wipe out all illegal gambling. But it will be a beginning.

Assuming, then, that a lottery would be approved if submitted to public referendum, what then could we expect?

The answer, it seems to me, lies in the experience of those countries where lotteries have long been legal.

With one exception, Cuba, there has not been, to my knowledge, a single instance of corruption in a modern-day lottery anywhere in the world. On the contrary, government-sponsored lotteries have provided a legal, sensible outlet for the gambling urge, guaranteed the honesty of the operation, and transferred vast profits from elements operating outside the law to a great variety of public benefits.

Why should we expect less of a State-operated lottery in New Jersey? It would serve the useful and, in our present circumstances, very essential purpose of providing revenues for State institutions, aid to education, road construction, or a bonus for our veterans, and it would do so without the imposition of new or additional taxes.

A state lottery, too, would retain within our State the countless thousands of dollars which are now sent overseas through illegal but widespread participation in the Irish Sweepstakes, and would certainly divert to legal channels untold sums of money which are now otherwise gambled illegally.

A State lottery admittedly would not be the last word in the fight against the gambling syndicates. But it would be a beginning, and an important beginning, because it would hit organized crime where it hurts the most.

Let us discard the false assumption that we cannot conduct a decent lottery, that our standards of morality and honesty are not as high as those of Europe and Latin America. Let us have the courage and wisdom to do what our neighbors in law-abiding New Hampshire have done. And at least let us have the fairness to let the people themselves decide the issue by voting on the Constitutional amendment proposed by ACR Number 4.

races has been confined to generalities. Proponents most often would argue that "if it is legal to bet at the race track, why shouldn't it be legal to bet elsewhere?" and opponents of the idea would counter with the argument that off-track betting would lead to a widespread extension of gambling and consequent deleterious social and economic results.

The discussion has been carried on in general terms simply because there has been, until now, an absence of hard, realistic facts as to just what off-track betting is all about.

For several years now, I have advocated that this State adopt a system of off-track betting to divert to the State Treasury the millions of dollars which are lost each year to bookmakers and criminals who operate the gambling syndicates.

Admittedly, accurate figures as to money now wagered with the bookies are difficult to determine. The most conservative estimates, however, place the amount as at least three times that which is legally bet at the tracks. My own opinion is that the sum is considerably higher. Whether we like it or not, we all know that almost anyone wishing to place a bet has only to reach for the nearest telephone.

Last year in New Jersey, \$325 million was wagered at the State's four race tracks and the State Treasury was enriched to the tune of almost \$30,000,000. This was legal and above board.

But illegally, and undercover, probably as much as \$1 billion was bet with bookmakers. The profit to the State? Not one cent.

Had this illegal betting been carried on under a system of legalized off-track betting, New Jersey would have realized somewhere between \$90,000,000 and \$100,000,000 in additional revenue.

In view of the fiscal problems faced by New Jersey in trying to meet expanding needs of welfare, education and highways, and the already heavy burden on our taxpayers, does it make much sense to continue condoning the illegal

gambling activity which lines the pockets of criminals with unconscionable profits instead of diverting them to legitimate State needs?

Recent studies by New York City on the feasibility of off-track betting have shed much enlightenment on the question. Conducted by a team of fact-finders in England, France, New Zealand and Australia, the study was summarized as follows by Mayor Wagner:

"The many interviews of fact-finders conducted, and the records and facts they gathered, show that New Zealand, England and France each has its own, unique system of legal off-track betting, as have some of the States of Australia. Each of the systems can be truly said to operate satisfactorily, from the viewpoint of both government and the people.

"While the systems do differ, we conclude that there are important resemblances. These include:

"1. The conduct of the various systems of legal off-track betting is orderly and dignified.

"2. There are only invalid estimates of the extent of horse betting prior to legalization in each country, hence any comparison between amounts bet before and after legalization is worthless.

"3. The amount bet on horses since legalization, however, has risen at a rate lower than the rise in national income, per capita income and other related economic factors.

"4. Legalization of off-track betting has had no effect on consumer purchases generally.

"5. Legalization has not been a factor in any rise or fall in the rate of consumer credit defaults.

"6. It has had no effect either on the number of people receiving welfare assistance or on the amounts paid out in such assistance.

"7. It has eliminated betting by minors.

"8. The ~~illegal~~ bookmakers have been largely eliminated.

"9. Following the establishment of legal off-track betting, the police and the courts have been enabled to concentrate more of their efforts on more serious areas of law enforcement.

"10. Betting on horses is accepted as something people do. No amount of opposition in the past was successful in making it any the less a way of life.

"11. People everywhere would rather do things legally than illegally, and betting on horses is one of them."

In my judgment, the people of New Jersey should have an early opportunity to say whether they would prefer to bet legally or illegally and, at the same time, whether they want the profits from their wagering to be used for legitimate State purposes or whether they should continue to support a criminal element which infests our State.

I have attempted to show the benefits which would derive to New Jersey if it were to establish a State lottery -- as New Hampshire has done -- and inaugurate a system of off-track betting, as New York appears likely to do in the near future.

I recognize, of course, that many sincere persons oppose one or the other, or both, of my proposals. While I do not agree with them, and believe they constitute a small minority, they are entitled to be heard and to have full opportunity to express themselves at the polls.

Most of those who oppose any extension of controlled gambling -- or even the continuance of the legalized gambling we now have, such as pari-mutuel wagering at race tracks, bingo and raffles, and certain games of chance -- do so because of their belief that all gambling is immoral.

Probably no country has had greater experience with a wide variety of legalized gambling than Great Britain. The observations of a British Royal Commission are therefore pertinent;

"We are left with the impression," the Commission stated, "that it is extremely difficult to establish by abstract arguments that all gambling is evidently immoral, without adopting views as to the nature of good and evil which would not find general acceptance among moralists

"We can find no support for the belief that gambling, provided that it is kept within reasonable bounds, does serious harm either to the character of those who take part in it, or to their family circle and the community generally

"It is the concern of the State that gambling, like other indulgences such as drinking of alcoholic liquor, should be kept with reasonable bounds, but this does not imply that there is anything inherently wrong in it."

Perhaps even more to the point is this excerpt from the recent report of the New York City fact-finding team which studied off-track betting in a number of countires, including England:

"The principal and best-organized opposition (in England) to the betting shops -- as well as to all forms of gambling -- comes from the Churches' Council on Gambling, of which the Reverend Mr. Gordon Moody is the General Secretary and operating head Mr. Moody made it clear that the aim of the Churches' Council on Gambling is to achieve as wholesome a system of legalization as possible, rather than to oppose it totally. The Council has not made a moral issue of off-track betting. It has recognized it as 'a thing people do' and, because it is, control rather than prohibition is the Council's aim Mr. Moody said ... that if he were in New York he would favor some form of legalization."

Control rather than prohibition. That is the crux of the whole problem as it relates to gambling, just as it was proved to be in regard to alcoholic beverages.

Can anyone willing to face the facts realistically say that we are not better off today morally, socially and economically than we were during the days of national prohibition? Can anyone truthfully say that we would not be better off under a system of legalized, controlled gambling than we are now in giving illegal support to a criminal empire which reaps profits of billions of

dollars a year?

At any rate, the State of New Jersey not once, but many times, has passed judgment on the morality of controlled gambling. It did so when it legalized wagering at the race tracks, again when it voted for bingo and raffles, and again when it approved games of chance at seashore resorts and amusement parks. That issue has long since been decided.

Today the issue is simply this: shall New Jersey, by the enactment of a lottery and the extension of race track betting to off-track sites, avail itself of many millions of dollars for the support of institutions, schools, highways and other worthy causes, or shall it continue to permit this money to fall into the hands of the most corrupt and debasing element of our society?

We already have the gambling, widespread and uncontrolled. I firmly believe we should bring it under control. Even more firmly, I believe the people should have the opportunity to say what they want to do about it.

The following citizens of the State of New Jersey attended the Public Hearing conducted in the State House on Thursday, April 30, 1964 and wish to record their opposition to any extension of gambling through lotteries or off-track betting and hereby record specific opposition to ACR-2 and ACR-4.

<u>Name</u>	<u>Street</u>	<u>City</u>
Emily B. Lerner	24 Third St	Elmer
Walter A. Luzzo	19 S Main St.	Elmer, N.J.
John B. Kirby Jr	3626 Nottingham Way	Hamilton Square
Rev. Byard J. Ebling	299 Shuppicks Road	Chatham, N.J.
Rev. Robert A. Benjamin	3 Lovellen St.	HOPEWELL, N.J.
Rev. Curtis Hoffman	1 East Broad St.	Hopewell, N.J.
Mrs. Elizabeth P. base	428 Vannest Ave.	Trenton, N.J.
Mrs. Myrtle Shubert	1189 Parkside "	"
Mrs. Rhonda Wilson	6 Broadway Ave	" "
Carlton W. Bodin	330 Union Ave.	Felanco, N.J.
Harold F. Turk	Broadway,	Brown Mills, N.J.
Clara Turk	Broadway,	Brown Mills, N.J.
Martha J. Hurst	RT #2 Box 2567-K	Brown Mills, N.J.
W. P. Duckwall	851 Parkside	Trenton, N.J.
John W. Zeller	1014 Columbus Rd	Burlington, N.J.
Rev. Edward Hofmann	117 Park Ave.	Leonia, N.J.

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<u>Name</u>	<u>Address</u>	<u>City</u>
James J. Doherty	227 Washington Terrace	Audubon N.J.
Edith C. Doherty	"	"
Joseph P. MacMillan	127 Ricker Ave	Collingswood, N.J.
Phoebe J. MacMillan	"	"
Winifred Little	37 Creek Rd.	Bridgeboro N.J.
Ruth F. Reuland	13 Center St.	Bridgeboro N.J.
Rev. Robert B. Allen	60 Main St.	Bridgeboro, N.J.
Ernest Paul P. Palmer	420 Fenwood Ave	Princeton 08519 N.J.
Rev. William B. Thelking	2930 Westfield Ave	Camden, N.J.
George D. Comerford	111 So. 33 St.	Camden, N.J.
Walter L. Monahan	24 N 30th St.	Camden N.J.

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<u>Name</u>	<u>Street</u>	<u>City</u>
Mrs. J. C. Loherty	710 Avondale Ave.	Haddonfield
Mrs. A. K. Henderson	703 Avondale Ave.	Haddonfield
Mrs. J. H. Bohn	216 Burrwood Ave	Collingswood
Mrs. H. B. Bayne	144 New Jersey Ave	Collingswood
Geo. B. Bayne	144 New Jersey Ave.	Collingswood
Mrs. Emma Eckert	137 E. Summerfield Ave	Collingswood
Milton T. Townsend	222 Addison Ave	Collingswood N.J.
Frank Eckert	137 E. Summerfield Ave	Collingswood N.J.
Joseph J. Thomas	157 Birnie Lane,	Trenton, N.J.
Frank C. Ziemer	1137 Salem Ave,	Hillside, N.J.
D. Allen Eater	24. Rector St,	Newark, N. J.

STATEMENT SUBMITTED BY REV. JOHN B. KIRBY, JR.
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Mr. Chairman, members of the Committee, and fellow citizens:
at 3626 Nottingham Way in Hamilton Square.
My name is John B. Kirby, Jr. I am pastor of Hamilton Square Methodist Church,
but in these remarks I am simply speaking for myself as a citizen of New Jersey.

I am opposed to the proposed legislation to permit a state lottery or off-track betting as a source of public revenue. I understand it is not considered in order to discuss the matter as a moral issue. That suits me fine, for I have discovered that whenever I use the word "moral", not everybody understands the same thing by the word as I do. I propose, therefore, to discuss the matter in terms of dollars and cents, which ought to be fairly unambiguous terms.

These suggested means of raising revenue fall down on two counts. In the first place, they are not some sort of magic by means of which we shall find our state coffers well-filled, without any responsibility on our part, for even if we should adopt these measures, our financial needs would not begin to be met. I doubt that they ever will be met until we face up to the need to enact some kind of broad-based tax, and I believe we are deceiving the public by creating the impression that we can avoid this by such measures as those under discussion today. I strongly suspect that some of the strongest advocates of these measures are acting from ulterior motives, rather than for the public interest.

In the second place, experience in many places has shown that legalized gambling has both injured legitimate business, and also created social problems which were expensive to deal with.

In the Trenton Evening Times for October 10, 1963, there appeared an editorial which, since it consists of but a few sentences, I should like to read as the conclusion of my remarks:

"Legalized gambling has its proponents who may be dazzled by the prospect of painless, massive returns.

These visionaries should examine the examples such revenues have set in Nevada and Great Britain.

Gambling has been functioning legally in Nevada for a long time. The state, wary of the influx of the criminal element, has a commission formed to keep such undesirables out. But the racket men apparently cannot be discouraged. Witness the recent citation against Frank Sinatra for allegedly consorting with a known racketeer at his Lake Tahoe resort.

Great Britain legalized gambling slightly over 27 months ago. In that time Britons have wagered approximately \$4 billion in legalized betting shops.

But during the same period small shopkeepers experienced a 20 per cent increase in bad debts.

Rather than pure coincidence, this is additional evidence against legal gambling as a nostrum for the public's economic ailments or a cure for a government's fiscal ills."